
ORDER AUTHORIZING THE ISSUANCE OF “WEBB COUNTY, TEXAS TAX NOTES, SERIES 2020”; AUTHORIZING A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; DELEGATING TO CERTAIN COUNTY ADMINISTRATIVE STAFF AND OFFICIALS THE AUTHORITY TO APPROVE ALL FINAL TERMS OF THE NOTES; AND OTHER MATTERS RELATED THERETO

ORDER AUTHORIZING THE ISSUANCE OF “WEBB COUNTY, TEXAS TAX NOTES, SERIES 2020”; AUTHORIZING A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; DELEGATING TO CERTAIN COUNTY ADMINISTRATIVE STAFF AND OFFICIALS THE AUTHORITY TO APPROVE ALL FINAL TERMS OF THE NOTES; AND OTHER MATTERS RELATED THERETO

WHEREAS, Chapter 1431, Texas Government Code, as amended (the “Act”), authorizes counties to issue anticipation notes the proceeds of which may be used to (1) pay a contractual obligation incurred or to be incurred for the construction of any public work; (2) pay a contractual obligation incurred or to be incurred for the purchase of materials, supplies, equipment, machinery, buildings, lands, and rights-of-way for an issuer’s authorized needs; (3) pay a contractual obligation incurred or to be incurred for professional services, including services provided by tax appraisal engineers, engineers, architects, attorneys, mapmakers, auditors, financial advisors, and fiscal agents; (4) pay operating expenses or current expenses; or (5) fund the issuer’s cumulative cash flow deficit; and

WHEREAS, the Commissioners Court (the “Commissioners Court”) of Webb County, Texas (the “Issuer” or the “County”) desires to undertake the projects described in this Order;

WHEREAS, pursuant to Section 1431.002 of the Act, the County Budget Officer has recommended to the Issuer that it issue the Notes;

WHEREAS, the Commissioners Court deems it advisable and in the County’s best interests to issue the Notes (defined herein) for the purposes described in this Order;

WHEREAS, the County hereby finds and determines that it qualifies as an “issuer” pursuant to the authority provided by Chapter 1371, as amended, Texas Government Code (“Chapter 1371”), because it meets the criteria set forth in Section 1371.001(4)(P) and pursuant thereto it may delegate to the Authorized Representative (defined herein) with the authority to execute the Pricing Certificate (a form of which is attached hereto as Exhibit A) to approve the final terms of the Notes as set forth in the Pricing Certificate

WHEREAS, in accordance with Section 81.006, Texas Local Government Code, the Commissioners Court hereby finds that this Order was adopted at a regularly scheduled meeting of the Commissioners Court.

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

Authorization of the Notes. There is hereby authorized to be issued and delivered a series of notes of the County, to be known as “WEBB COUNTY, TEXAS TAX NOTES, SERIES 2020” (the “Notes”), in the original aggregate principal amount of \$_____ payable from an annual ad valorem tax levied upon all taxable property within the County, within the limits prescribed by law, for the purposes described in the Form of Certificates contained in Section 3 hereof

Delegation to Officials. As authorized by Chapter 1371, Texas Government Code, the County Judge, any County Commissioner, the County Chief Executive Administrator, and the County Auditor (each an “Authorized Representative”) are hereby authorized, appointed, and designated as officers of the County authorized to act on behalf of the County in selling and delivering the Notes authorized herein and carrying out the procedures specified in this Order, including determining the aggregate principal amount of each maturity of the Notes and the rate of interest to be borne on the principal amount of each maturity; the allocation of premium, if any, generated from the sale of the Notes; the redemption provisions therefor; the pricing of the Notes, including use of premium, discount, underwriters compensation, insurance

provisions, if any, and costs of issuance; and the selection of the underwriting syndicate. Each of the above individuals, acting for and on behalf of the County, is authorized to execute the Pricing Certificate substantially in the form attached hereto as Exhibit "A" and approve the Official Statement. The Notes shall be issued in the principal amount not to exceed \$3,800,000; the maximum maturity of the Notes will not exceed February 15, 2027; and the net effective per annum interest rate on the Notes shall not exceed a rate greater than 4.00% per annum calculated in a manner consistent with the provisions of Chapter 1204, Texas Government Code. The execution of the Pricing Certificate shall evidence the sale date of the Notes by the County to the Initial Purchaser (named therein). Upon execution of the Pricing Certificate, it shall become a part of this Order and be incorporated by reference herein, and (to the extent necessary or appropriate) Bond Counsel (named below) is authorized to modify or complete this Order to reflect such final terms. An Authorized Representative is also authorized to approve, execute, and deliver a Bond Purchase Agreement. The authorization granted in this section shall expire six months from the date hereof.

Date, Denominations, Numbers, and Maturities of Interest on the Notes. The Notes shall be dated the date prescribed in the Pricing Certificate (the "Dated Date"), shall be in denominations of \$5,000 or any integral multiple thereof, shall be numbered I-1 for the Initial Note (defined herein) and consecutively from R-1 upward for the definitive Notes. The Notes shall mature on February 15 in each of the years in the principal amounts as provided in the Pricing Certificate. The Notes shall bear interest at the specified rates per annum from the Delivery Date (defined herein), such interest payable semi-annually beginning August 15, 2020, and continuing on each February 15 and August 15 thereafter through the respective maturity, as shown in the Pricing Certificate

General Characteristics and Form of the Notes. The Notes shall (i) be issued; (ii) be payable; (iii) be redeemable prior to their scheduled maturities; (iv) have the characteristics; and (v) be signed, sealed, and executed, all as provided and in the manner indicated in the form set forth below. The Form of the Notes, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on the Initial Note, the Form of the Authentication Certificate, and the Form of Assignment 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 NOTE]

United States of America
 State of Texas
 WEBB COUNTY, TEXAS
 TAX NOTE, SERIES 2020

NUMBER	DENOMINATION
R-	\$ _____
REGISTERED	REGISTERED

<u>INTEREST</u>	<u>DATED</u>	<u>MATURITY</u>	<u>CUSIP NO.</u>
<u>RATE (%)</u>	<u>DATE</u>	<u>DATE</u>	
	April 1, 2020	February 15, _____	

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

WEBB COUNTY, TEXAS (the "County"), being a body corporate and a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assigns (either, the "Owner"), on the Maturity Date, specified above, upon presentation and surrender of this Note 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"), to wit: 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 date of initial delivery of the Notes or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Note is payable semi-annually by check beginning August 15, 2020, and continuing each August 15 and February 15 thereafter through maturity, mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the Record Date (hereinafter defined), or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. The date for determining the person to whom interest is payable on any interest payment date (the "Record Date") is the last business 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 County. 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 Note, 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 Notes, when due, in the manner set forth in the order authorizing the issuance of the Notes thereof adopted by the Commissioners Court of the County on April 14, 2020 (the "Order").

THIS NOTE is one of a series of Notes (the "Notes") dated as of the Dated Date, specified above, of like designation, date, and tenor, except as to number, interest rate, denomination, and maturity, issued pursuant to the Order executed pursuant thereto (collectively, the "Order") in the original aggregate principal amount of \$ _____ for the purpose of providing for the payment of contractual obligations to be incurred in connection with (i) the acquisition of law enforcement equipment for the County sheriff's department, (ii) the acquisition of heavy machinery for the County's road and bridge department; and (iii) the payment of contractual obligations for professional services rendered in connection therewith (including, but not limited to, financial advisory, legal, architectural, and engineering).

THE NOTES 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 Notes are considered outstanding under the provisions of the Order, in a sufficient amount to pay interest on each Note as it becomes due, to provide a sinking fund for the payment of the principal of the Notes when due, and to pay the expenses of assessing and collecting such tax. 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 Note, 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.

THE NOTES ARE NOT SUBJECT TO OPTIONAL REDEMPTION PRIOR TO THEIR STATED MATURITIES.

IN THE EVENT the book-entry-system should be discontinued, this Note may be transferred and exchanged on the Register only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If this Note 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 Note 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 Note 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 Notes and ending on the close of business on the day of such mailing or (ii) 15 days prior to the date fixed for redemption of such Note; provided, however, that such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Note called for redemption in part. The Owner of this Note 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 Note 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 Notes 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 Notes 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 Notes 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 that issuance of the Notes does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Note, 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 Note and the Order constitute a contract between each Owner and the County.

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

WEBB COUNTY, TEXAS

/s/ Margie Ramirez Ibarra
County Clerk

/s/ Tano E. Tijerina
County Judge

(COMMISSIONER'S COURT SEAL)

[FORM OF INITIAL NOTE]

The Initial Note shall be in the form set forth above for the definitive Notes, except the following shall replace the heading and the first paragraph:

NO. I-1 \$ _____
United States of America
State of Texas
WEBB COUNTY, TEXAS
TAX NOTES, SERIES 2020

Dated Date: APRIL 1, 2020

Delivery Date: MAY 7, 2020

Registered Owner: UBS FINANCIAL SERVICES INC.

Principal Amount: _____ (\$ _____)

WEBB COUNTY, TEXAS (the "County"), for value received, acknowledges itself indebted to and hereby 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>MATURITY</u> <u>DATE</u>	<u>PRINCIPAL</u> <u>INSTALLMENT (\$)</u>	<u>INTEREST</u> <u>RATE (%)</u>
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(Information to be inserted from the Pricing Certificate.)

INTEREST on the unpaid Principal Amount hereof from the date of initial delivery 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 August 15 and February 15 of each year, commencing August 15, 2020.

THE PRINCIPAL OF AND INTEREST ON this Note are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Note shall be paid to the Owner hereof upon presentation and surrender of this Note at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, or its successors, which is the "Paying Agent/Registrar" for this Note. The payment of principal installments and interest on this Note shall be made by the Paying Agent/Registrar to the Owner hereof as shown on the books of registration kept by the Paying Agent/Registrar (the "Register") at the close of business on the Record Date (hereinafter defined) by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the County 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 Registered Owner hereof at its address as it appears on the Register, as hereinafter described. The date for determining to whom interest is payable on any interest payment date (the "Record Date") means the last business 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 County. 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 Note 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 Notes, when due, in the manner set forth in the Order authorizing the issuance of the Notes thereof adopted by the Commissioners Court of the County on April 14, 2020 (the "Order").

* * *

FORM OF AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

This Note is one of the Notes 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 Note, Notes, or a portion of a Note or Notes 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 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 Note 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 Note 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 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 Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Note 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 Note 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 Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common
TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common
UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)
under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

Definitions. In addition to other words and terms defined in this Order (except those defined and used in Section 3), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

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

“Authorized Representative” means the County Judge, the County Chief Executive Administrator, or the County Auditor.

“Bond Counsel” means Winstead PC, or such other nationally recognized bond counsel selected by the County to serve in such capacity.

“Co-Bond Counsel” means Winstead PC, and J. Cruz & Associates, LLC, or such other firm of nationally recognized co-bond counsel appointed by the Issuer.

“Code” means the Internal Revenue Code of 1986, as amended.

“Commissioners Court” means the Commissioners Court of the County, being its duly authorized governing body.

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

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

“County Clerk” means the County Clerk of the County.

“County Judge” means the County Judge of the County.

“DTC” means The Depository Trust Company, New York, New York, and its successors and assigns.

“Governmental Obligations” means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Commissioners Court of the County adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Commissioners Court of the County adopts or approves the

proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iv) any other obligations authorized to defease the Notes under Chapter 1207 of the Texas Government Code.

“Initial Note” means the Note registered by the Comptroller as described in Section 9 hereof.

“Initial Purchaser” means the initial purchase identified in the Pricing Certificate.

“Interest Payment Date” means, when used in connection with any Note, August 15, 2020 and each August 15 and February 15 thereafter until maturity or earlier redemption of such Note.

“Note” or “Notes” means any or all of the Notes, as the case may be, of that series styled “Webb County, Texas Tax Notes, Series 2020”, authorized by this Order.

“Official Statement” means the disclosure document dated as of February 12, 2020, along with any supplement or amendment thereto, distributed by the County in connection with the offering and sale of the notes.

“Order” means this “Order Authorizing the Issuance of “Webb County, Texas Tax Notes, Series 2020”; Authorizing a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Delegating to Certain County Administrative Staff and Officials the Authority to Approve All Final Terms of the Notes; and Other Matters Related Thereto” adopted by the Commissioners Court on April 14, 2020, together with the Pricing Certificate.

“Owner” or “Registered Owner” means the person so named in the Register.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, and such other 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 the provisions of this Order.

“Paying Agent/Registrar Agreement” means the agreement dated as of _____, 2020, between the Paying Agent/Registrar and the County substantially in the form of Exhibit B attached hereto, which relates to the registration, authentication, and transfer of the Notes.

“Record Date” means the date for determining the person to whom interest is payable on any Interest Payment Date, being the last business day before the 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 Registered Owner.

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

“State” means the State of Texas.

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. The “Webb County, Texas Tax Notes, Series 2020 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 Notes. The accrued interest, if any, and any premium received upon the initial delivery of the Notes, and the net proceeds of all ad valorem taxes levied and collected for and on account of the Notes, shall be deposited, as collected, to the credit of the Interest and Sinking Fund.

During each year while any of the Notes or interest thereon are outstanding and unpaid, the Commissioners Court 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 Notes 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 Notes as a sinking fund each year); and the tax shall be based on the County's latest approved tax rolls, with full allowances being made for tax delinquencies and the cost of tax collection. The 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 Notes 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 Notes, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment, within the limit prescribed by law.

Construction Fund. The "Webb County, Texas Tax Notes, Series 2020 Construction Fund" (the "Construction Fund") is hereby created and shall be established and maintained by the County at an official depository bank of the County. The Construction Fund is the fund into which the proceeds of the Notes that remain after making the deposits identified in subsection (a) above shall be deposited. Money in the Construction Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Notes are issued. Any money remaining in the Construction Fund after the purposes for which the Notes were issued have been accomplished shall be deposited in the Interest and Sinking Fund, and the Construction Fund shall then be closed.

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 Notes will be used as soon as practicable for the purposes for which the Notes 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 the Construction Fund may be retained in such fund or deposited to the Interest and Sinking Fund as determined by the Commissioners Court. Any amounts received from the investment of the Interest and Sinking Fund shall be deposited in the Interest and Sinking Fund.

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.

Covenants of the County. (c) **General Covenants.** The County covenants and represents that:

The County is a duly created county, operating and existing under the laws of the State, and is duly authorized under the laws of the State to create and issue the Notes, all actions on its part for the creation and issuance of the Notes have been duly and effectively taken, and the Notes in the hands of the Registered Owners thereof are and will be valid and enforceable obligations of the County in accordance with their terms; and

The Notes shall be ratably secured in such manner that no one Note shall have preference over other Notes.

Specific Covenants. The County covenants and represents that, while the Notes are outstanding and unpaid, it 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 Notes; and

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 Notes and to provide the necessary sinking fund, as described in this Order.

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 Notes as obligations described in section 103 of 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:

to refrain from taking any action which would result in the Notes being treated as “private activity bonds” within the meaning of section 141(a) of the Code;

to take any action to assure that no more than 10% of the proceeds of the Notes 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 Notes, in contravention of section 141(b)(2) of the Code;

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 Notes 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;

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 Notes 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;

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

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 Notes, 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 Notes;

to otherwise restrict the use of the proceeds of the Notes or amounts treated as proceeds of the Notes, as may be necessary, so that the Notes 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);

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 Notes) 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 Notes 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;

to maintain such records as will enable the County to fulfill its responsibilities under this subsection and sections 141 and 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Notes; and

to comply with the information reporting requirements of section 149(e) of the Code.

For the purposes of the foregoing, in the case of a refunding obligation, the term “proceeds” includes transferred proceeds and, for purposes of paragraphs (ii) and (iii), proceeds of the refunded obligations.

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 Notes, 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 bond counsel, will not adversely affect the exclusion from gross income of interest on the Notes 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 Notes, the County agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exclusion from gross income of interest on the Notes under section 103 of the Code.

Proper officers of the County charged with the responsibility of issuing the Notes 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 Notes.

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

Covenants Regarding Sale, Lease, or Disposition of Financed Property. The County covenants that it will regulate the use of the property financed, directly or indirectly, with the proceeds of the Notes and will not sell, lease, or otherwise dispose of such property unless (i) the County takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Notes under section 103 of the Code or (ii) the County seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent and registrar for the Notes 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 the Notes 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 Note 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 Registered Owner of record as of the Record Date, to the address of such Registered Owner as shown on the Register, or in such other manner as may be acceptable to the Registered Owner and the Paying Agent/Registrar.

The County, the Paying Agent/Registrar, and any other person may treat the person in whose name any Note is registered as the absolute Registered Owner of such Note for the purpose of making and receiving payment of the principal thereof and for the further purpose of making and receiving payment of the interest thereon and for all other purposes, whether or not such Note 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 Registered Owner of any Note 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 Note to the extent of the sums paid.

So long as any Notes remain outstanding, the Paying Agent/Registrar shall keep the Register at its designated corporate trust office in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Notes 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, however, 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 thereof, 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 SEC. In such event, the County shall give notice by certified mail to each Registered 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, respectively, are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form attached hereto as Exhibit B.

Initial Note; Exchange or Transfer of Notes. Initially, one Note (the "Initial Note"), numbered I-1 as described in Section 3 of this Order and representing the entire principal amount of the Notes, shall be registered in the name of the Initial Purchaser and shall be executed and submitted to the Attorney General for approval, and thereupon certified by the Comptroller or his duly authorized agent, by manual signature, and the Initial Note 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 Note 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 Notes upon authorization of the County as provided in such instructions.

The Notes 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 Note for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business days after such presentation, a new Note or Notes, 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 Note or Notes so presented.

All Notes shall be exchangeable upon presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar for a Note or Notes 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 Note or Notes presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Notes in accordance with this Order and each Note so delivered shall be entitled to the benefits and security of this Order to the same extent as the Note or Notes in lieu of which such Note is delivered.

The County or the Paying Agent/Registrar may require the Owner of any Note 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 Note. 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 Note during any period beginning at the opening of business 15 days before the day of the first mailing of a notice of redemption of Notes and ending on the close of business on the day of such mailing or (ii) to transfer or exchange any Note so selected for redemption in whole or in part when such redemption is scheduled to occur within 15 calendar days.

Book-Entry-Only System. (d) The definitive Notes shall be initially issued in the name of Cede & Co., as nominee of DTC, as Registered Owner of the Notes, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Notes. Beneficial owners of definitive Notes will not receive physical delivery of Notes except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Notes as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Notes is to receive, hold, or deliver any Notes. No person shall acquire or hold any beneficial interest in any Note representing a portion of the principal amount of such Note which is other than \$5,000 or an integral multiple thereof.

Replacement definitive Notes may be issued directly to beneficial owners of Notes other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Notes (which determination shall become effective no less than 90 days after written notice to such effect to the County and the Paying Agent/Registrar); (ii) the County has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Notes) that DTC is incapable of discharging its duties as securities depository for the Notes; or (iii) the County has determined (which determination is conclusive as to DTC and the beneficial owners of the Notes) that the interests of the beneficial owners of the Notes might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the County shall use its best efforts to attempt to locate another qualified securities depository. If the County fails to locate another qualified securities depository to replace DTC, the County shall cause to be executed, authenticated, and delivered replacement Notes, in certificate form, to the DTC participants having an interest in the Notes as shown on

the records of DTC provided by DTC to the County. In the event that the County makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Notes of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Notes in certificate form to the DTC participants having an interest in the Notes as shown on the records of DTC provided by DTC to the County. The County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the County to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Notes, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Order of holding, delivering, or transferring Notes shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

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

County Officers' Duties. (e) Issuance of Notes. The County Judge shall submit the Initial Note, the record of the proceedings authorizing the issuance of the Notes, and any and all other necessary orders, certificates, and records to the Attorney General for his investigation. After obtaining the approval of the Attorney General, the County Judge shall cause the Initial Note to be registered by the Comptroller. 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 Notes to and by the Initial Purchaser.

(b) Execution of Order. The County Judge and the County Clerk, respectively, 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.

Remedies of Owners. In addition to all rights and remedies of any Owner provided by the laws of the State, 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 Notes 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, any Owner 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 Notes and shall be cumulative of all other existing remedies.

Lost, Stolen, Destroyed, Damaged, or Mutilated Notes; Destruction of Paid Notes. (c) Replacement Notes. In the event any outstanding Note 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 Note of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Note, or in lieu of and substitution for such Note lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section appearing below.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen,

destroyed, damaged, or mutilated Notes shall be made to the County. In every case, the applicant for a substitute Note 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. Except as hereinafter provided, in every case of loss, theft, mutilation, or destruction of a Note, 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, mutilation, or destruction and of the ownership of such Note. In every case of damage or mutilation of a Note, the applicant shall surrender the Note so damaged or mutilated to the Paying Agent/Registrar.

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

Expenses of Issuance. Upon the issuance of any substitute Note, the County may charge the Owner of such Note with all fees and costs incurred in connection therewith. Every substitute Note issued pursuant to the provisions of this Section by virtue of the fact that any Note 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 Note 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 Notes duly issued under this Order.

Authority to Issue Substitute Notes. This Order shall constitute sufficient authority for the issuance of any such substitute Note without necessity of further action by the County or any other body or person, and the issuance of such substitute Notes is hereby authorized, notwithstanding any other provisions of this Order.

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

Redemption. The Notes are not subject to optional redemption.

Defeasance. (c) Except to the extent provided in subsection (c) of this Section, any Note, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Order (a "Defeased Note") when payment of the principal of such Note, 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 (a "Depository") with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code 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 Note. To cause a Note scheduled to be paid or redeemed on a date later than the next scheduled interest payment date on such Note to become a Defeased Note, 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 Notes, the County shall cause to be delivered either: (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of an escrow established to pay the Defeased Notes in full on the maturity or redemption date thereof (the "Verification"), or (ii) a certificate from a qualified financial professional, certifying that the amount deposited with a Depository is sufficient to pay the Defeased Notes 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 Bond Counsel to the effect that the Defeased Notes are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Notes. 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 Notes 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 Note shall be deemed to be a Defeased Note hereunder, and all herein required criteria have been met, such Note 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, that the County may exercise the right to redeem a Defeased Note if it has reserved the option to be exercised at the time of the defeasance of the Notes, to call for redemption, at an earlier date, those Notes 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 Notes for redemption; (ii) gives notice of the reservation of that right to the Registered 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 Notes and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the County.

Until all Defeased Notes shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Notes 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.

Order a Contract; Amendments. This Order shall constitute a contract with the Owners, from time to time, of the Notes, binding on the County and its successors and assigns, and shall not be amended or repealed by the County as long as any Note 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 (i) by the provisions hereof, (ii) in connection with the issuance of Additional Obligations, (iii) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein, or (iv) 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 Notes then outstanding affected thereby, amend, change, modify, or rescind any provision 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 Notes, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on bonds or certificates on a parity with the lien of the Notes, (ii) give any preference of any Note over any other Note, (iii) extend any waiver of default to subsequent defaults, or (iv) reduce the aggregate principal amount of Notes required for consent to any such amendment, change,

modification, or rescission. When the County desires 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. When 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 Notes 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.

Sale and Delivery of Notes. (c) Sale. The sale of the Notes to the Initial Purchaser pursuant to the Pricing Certificate and the Purchase Contract is hereby confirmed and delivery of the Notes 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 Authorized Representative is hereby authorized to sign and deliver the Purchase Contract.

(b) Approval of Official Statement. The County hereby approves the form and content of the Official Statement relating to the Notes and any addenda, supplement, or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Notes by the Initial Purchaser 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 is hereby ratified and confirmed.

Legal Opinion. The Initial Purchaser's obligation to accept delivery of the Notes is subject to their being furnished an opinion of Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Notes.

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

Use of Proceeds. Proceeds from the sale of the Notes shall be used as described in the Pricing Certificate.

Continuing Disclosure. (a) Annual Reports. The County will provide certain updated financial information and operating data to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to its Electronic Market Access System ("EMMA"). The information to be updated includes all quantitative financial information and operating data with respect to the County of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 10 and in Appendix B. The County will update and provide this information within six months after the end of each fiscal year ending in and after 2020. The financial information and operating data to be provided may be set forth in full in one or more publicly available documents, as permitted by SEC Rule 15c2-12 (the "Rule"). 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 or such other accounting principles as the County may be required to employ from time to time pursuant to State law or regulation.

The County's current fiscal year end is September 30. Accordingly, it must provide updated information by the last day of March in each year, unless the County changes its fiscal year. If the County changes its fiscal year, it will notify the MSRB of the change.

(b) Notice of Occurrence of Certain Events. The County will file with the MSRB notice of any of the following events with respect to the Notes in a timely manner (and not more than 10 business days after occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, 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 federal income tax status of the Notes, or other material events affecting the tax status of the Notes; (7) modifications to rights of holders of the Notes, if material; (8) Note calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Notes, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a debt obligation or a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the County, or a guarantee of any such debt obligation or derivative instrument, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such financial obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such financial obligation of the County, any of which reflect financial difficulties.

For these purposes, any event described in the immediately preceding paragraph (12) 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 jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County. The County intends the words used in clauses (15) and (16) and the definition of financial obligation in this section to have the meanings ascribed to them in the Securities and Exchange Commission (the "SEC") Release No. 34-83885, dated August 20, 2018.

The provisions of this Section are for the sole benefit of the Owners and beneficial owners of the Notes, 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 Notes at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY NOTE 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: (a) 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 Notes in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the outstanding Notes 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 Notes; (b) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid; or (c) in any other circumstance or manner permitted by the Rule.

Perfection of Security Interest. Chapter 1208, Texas Government Code, applies to the issuance of the Notes and the pledge of the proceeds of ad valorem taxes and certain revenues of the System thereto granted by the County under Section 5(a) of this Order, and such aforementioned pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Notes are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds and such revenues are to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Registered Owners a security interest in such pledge, the County agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Further Procedures. The County Judge and the County Clerk, and each of all other officers, employees, attorneys, and agents of the County, 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 Notes, and the Official Statement. In case any officer whose signature shall appear on any Note shall cease to be such officer before the delivery of such Note, 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 Notes, the County Judge, the County Clerk, and Bond Counsel 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) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Notes by the Attorney General's office.

Attorney General Examination Fee. The County recognizes that under Section 1202.004, Texas Government Code, the Attorney General requires a nonrefundable examination fee be paid at the time of submission of the transcript of proceedings authorizing the Notes. 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 Bond Counsel such amount as soon as possible and whether or not the Notes 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 Notes.

Other Documents. The Authorized Representative is 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 Bond Counsel, are necessary or advisable in order to issue the Notes and verify that the interest on the Notes will be exempt from gross income of the holders thereof under current federal tax law.

Nonpresentment of Notes. In the event any Note shall not be presented for payment when the principal thereof or interest thereon, if applicable, becomes due, either at maturity or otherwise, or if any check or draft representing payment of principal of or interest on the Notes shall not be presented for payment, if funds sufficient to pay the principal of or interest on such Note shall have been made available by the County to the Paying Agent/Registrar for the benefit of the Owner thereof, all liability of the County to the Owner thereof for the payment of the principal of or interest on such Note shall cease, terminate, and be completely discharged, and thereupon it shall be the duty of the Paying Agent/Registrar to hold such funds in trust, uninvested and without liability for interest thereon, for the benefit of the Registered Owner of such Note, who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Order with respect to the principal of or interest on such Note. To the extent applicable, the Paying Agent/Registrar shall hold and apply any such funds in accordance with Title 6, Texas Property Code, and shall comply with the reporting requirements of Chapter 74, Texas Property Code.

Miscellaneous Provisions. (c) General. Except where the context otherwise requires, words importing the singular number shall include the plural number and vice versa; words importing the masculine gender shall include the feminine and neuter genders and vice versa. Reference to any document means that document as amended or supplemented from time to time. Reference to any party to a document means that party and its successors and assigns. Reference herein to any article, section, subsection, or other subdivision, as applicable, unless specifically stated otherwise, means the article, section, subsection, or other subdivision, as applicable, of 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.

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.

Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of

this Order shall nevertheless be valid and the County hereby declares that this Order would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provision.

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

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.

Immediate Effect. Notwithstanding any charter provision or other applicable laws, this Order shall be immediately effective upon its adoption by the Commissioners Court.

PASSED AND APPROVED on first and final reading by the Commissioners Court of Webb County, Texas, this 14th day of April, 2020.

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

ATTEST:

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

EXHIBIT A

PRICING CERTIFICATE

The undersigned, being an Authorized Representative of Webb County, Texas (the "County"), pursuant to Section 2 of the Order adopted on April 14, 2020 (the "Order") authorizing the issuance of "WEBB COUNTY, TEXAS TAX NOTES, SERIES 2020" (the "Notes") does hereby approve the following terms of the Notes:

1. The Notes have been sold to UBS Financial Services Inc., as Initial Purchaser, and as representative of a syndicate of underwriters including Frost Bank and RBC Capital Markets, LLC.

2. The total principal amount of the Notes is \$ _____.

3. The purchase price for the Notes is \$ _____ representing the principal amount of the Notes of \$ _____, and less an Underwriters' discount of \$ _____. The County will contribute \$ _____.

4. The net effective per annum rate is _____% which is less than ____% as provided in the Order.

5. The dated date of the Notes will be April 1, 2020 and the maturity dates, principal amounts, and interest rates for the Notes are as set forth below:

<u>Maturity (2/15)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>	<u>Yield (%)</u>
2021			
2022			
2023			
2024			
2025			

The Notes are not subject to optional redemption prior to stated maturity.

6. The proceeds from the sale of the Notes in the amount of \$ _____ (net Underwriters' discount) and \$ _____ shall be used to pay costs of issuance of the Notes.

7. The terms of sale of the Notes are the most reasonable and advantageous and are in the best interest of the County.

EXECUTED AND DELIVERED this _____.

WEBB COUNTY, TEXAS

By: _____

Title: _____

EXHIBIT B

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of _____, 2020 (the “Agreement”), by and between WEBB COUNTY, TEXAS (the “County”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the “Bank”).

RECITALS

WHEREAS, the County has duly authorized and provided for the issuance of its “Webb County, Texas Tax Notes, Series 2020” (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 underwriter thereof as provided in the Order (hereinafter defined);

WHEREAS, the County 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; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the County 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 County 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 County 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 County 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 County 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 County 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 County on or before 90 days prior to the close of the Fiscal Year of the County, and shall be effective upon the first day of the following Fiscal Year.

In addition, the County 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 principal corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the County in writing of any change in location of the Bank Office.

“Bank Principal Payment Office” means Dallas, Texas.

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

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

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

“Order” means the order of the Commissioners Court of the County pursuant to which the Securities are issued, certified by the County Clerk or any other officer of the County, 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 County 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”, “County”, 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 County, pay on behalf of the County the principal of each Security at its Stated Maturity, Redemption Date, or date of acceleration, 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 County, pay on behalf of the County 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, which is the last calendar day of the month preceding a scheduled payment, 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 County 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 County at the Bank Principal Payment Office books and records in 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 County and subject to such reasonable regulations as the County 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. **Notes.** The County 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 County at any time requested by the County, upon payment of the required fee, a copy of the information contained in the Security Register. The County 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 County or to another Person, upon receipt of an County 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 County so that the County may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Notes. 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 County, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The County may at any time deliver to the Bank for cancellation any Securities previously authenticated and delivered which the County 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 County 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 County 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 County 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 County. The Bank will, within a reasonable time after receipt of written request from the County, furnish the County 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 County 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 Redemption Date;
- (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 Redemption Date 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 Bank Principal Payment Office, and the address of such office.

The Bank shall, at the expense of the County, 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 County, shall also provide notice to any other addressees as the County 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 agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the County'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 County 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 and compliance with such instructions.

Section 5.02. **Transfer of Funds.** 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 County as prepared by the County's financial advisor or other agent.

Section 5.03. **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 been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not 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 County.

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

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

Section 5.05. 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 County with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.06. 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 5.07. Indemnification. To the extent permitted by law, the County 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 5.08. **Interpleader.** The County 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 County 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 County 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 5.09. **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 County or the Bank shall be mailed or delivered to the County 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 County 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 County 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 County 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 County.

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.

Section 6.12. **Anti-Boycott Verification.** The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank understands ‘affiliate’ to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13. Iran, Sudan and Foreign Terrorist Organizations. No Terrorist Organization. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Bank nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

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

Attest:

By _____

By _____

Title _____

Title _____

Address: 2001 Bryan Street, 8th Floor
Dallas, Texas 75201

(BANK SEAL)

Attest:

WEBB COUNTY, TEXAS

By _____
County Clerk

By _____
County Judge
Address: 1000 Houston Street
Laredo, Texas 78040

(COMMISSIONER'S COURT SEAL)

SCHEDULE A
PAYING AGENT/REGISTRAR FEE SCHEDULE

Attached