



COMMISSIONER'S COURT MINUTES

SEPTEMBER 25TH SPECIAL TERM, A.D. 2017

1. **CALL TO ORDER.**
2. **DETERMINATION THAT A QUORUM IS PRESENT:**

BE IT REMEMBERED that on this the 25th day of September A.D. 2017 at 9:00 o'clock A.M., after due notice was given by posting of the attached Agenda; the Honorable Val Verde County Commissioners' Court convened in **SPECIAL SESSION**. The meeting was called to order, the following members being present and constituted a quorum: Efrain V. Valdez, County Judge, Presiding; Martin Wardlaw, Commissioner of Precinct No. 1; Lewis Owens, Commissioner of Precinct No. 2; Robert "LeBeau" Nettleton; Commissioner of Precinct No. 3; Gustavo Flores, Commissioner of Precinct No. 4; and Generosa Gracia-Ramon, County Clerk; when the following proceeding was had to wit:

3. Pledge of Allegiance.

NOTICE IS HEREBY GIVEN TO THE PUBLIC THAT THE FOLLOWING ITEMS WILL BE DISCUSSED AND POSSIBLE ACTION MAY BE TAKEN BY THE VAL VERDE COUNTY COMMISSIONERS COURT:

MOTION KEY:
 EFRAIN V VALDEZ= EVV
 COMM WARDLAW=W
 COMM OWENS=O
 COMM NETTLETON=N
 COMM FLORES= F

QUORUM

- COUNTY JUDGE
- _____ Judge's Staff
- _____ Judge's Staff
- COMM. PRCT# 1
- COMM. PRCT# 2
- COMM. PRCT# 3
- COMM. PRCT# 4

ATTENDING

COUNTY STAFF/DEPTS:

- _____ COUNTY ATTY
- _____ COUNTY ATTY STAFF
- _____ COUNTY ATTY STAFF
- _____ DISTRICT CLERK
- _____ IT
- SHERIFF
- _____ SHERIFF'S STAFF
- AUDITOR
- _____ TREASURER
- PURCHASING
- HR
- _____ TAX COLLECTOR
- RISK MGMT
- _____ FIRE DEPT
- _____ EMERGENCY MGMT
- _____ JP #1
- _____ JP #2
- _____ JP #3
- _____ JP #4
- _____ OTHER _____

MOTION KEY: EFRAIN V VALDEZ= EVV; COMM WARDLAW=W; COMM OWENS=O; COMM NETTLETON=N; COMM FLORES=F

Efrain Valdez, County Judge

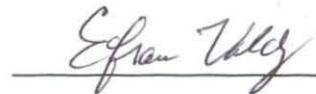
4. Consideration and approval of an order by the Commissioners Court of Val Verde County, Texas authorizing the issuance of "Val Verde County, Texas Tax and Revenue Anticipation Notes, Series 2017" prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the notes; authorizing the execution of a paying agent/registrar agreement and a purchase and investment letter; complying with the requirements of the depository trust company's letter of representations; and providing an effective date.

ORDER	Motion	2 nd	Amend	Amendment/Notes	Accept	Ayes	Noes	Abst
17-433	N	F		Motion to Approve as		W, O, N, F,		
				Presented.		EVV		

Commissioners Court reserves the right to hear any of the above agenda items that qualify for an executive session in an executive session by publicly announcing the applicable section number of the Open Meetings Act (Chapter 551 of the Texas Government Code) that justifies executive session treatment.

Adjourn: 9:01 AM

The foregoing record in Volume 49, pages 696-736, inclusive, was on this 15th day of November A. D. 2017, read and APPROVED.



Efrain Valdez, County Judge

Val Verde County, Texas

ATTEST:



GENEROSA GRACIA-RAMON

COUNTY CLERK



MOTION KEY: EFRAIN V VALDEZ= EVV; COMM WARDLAW=W; COMM OWENS=O; COMM NETTLETON=N; COMM FLORES=F

County of Val Verde



Efrain V. Valdez
County Judge

P.O. Box 4250
Del Rio, TX 78841
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Phone (830) 774-7501
Fax (830) 775-9406

AGENDA/NOTICE

VAL VERDE COUNTY COMMISSIONERS COURT

Special Meeting
Old County Court at Law Bldg.
207B E. Losoya Street
Del Rio, TX

September 25, 2017
9:00 A.M.

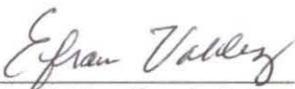
1. Call to order.
2. Determination that a quorum is present.
3. Pledge of allegiance.

NOTICE IS HEREBY GIVEN TO THE PUBLIC THAT THE FOLLOWING ITEMS WILL BE DISCUSSED AND POSSIBLE ACTION MAY BE TAKEN BY THE VAL VERDE COUNTY COMMISSIONERS COURT:

Efrain Valdez, County Judge

4. Consideration and approval of an order by the Commissioners Court of Val Verde County, Texas authorizing the issuance of "Val Verde County, Texas Tax and Revenue Anticipation Notes, Series 2017" prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale, and delivery of the notes; authorizing the execution of a paying agent/registrars agreement and a purchase and investment letter; complying with the requirements of the depository trust company's letter of representations; and providing an effective date.

Commissioners Court reserves the right to hear any of the above agenda items that qualify for an executive session in an executive session by publicly announcing the applicable section number of the Open Meetings Act (Chapter 551 of the Texas Government Code) that justifies executive session treatment.


Efrain Valdez, County Judge
Val Verde County, Texas

THIS NOTICE OF THE AGENDA WAS POSTED ON THE BULLETIN BOARD ON: Thursday, September 21, 2017 at 3:27 AM/PM

2017 SEP 21 P 3:27
GENERAL CLERK
VAL VERDE COUNTY CLERK
BY MA DEPUTY

FILED

P.O. Box 4250 • Del Rio, TX 78841

CERTIFICATE

I, the undersigned County Clerk, do hereby certify that the above AGENDA/NOTICE/ADDENDUM of the Val Verde County Commissioner's Court is a true and correct copy of the AGENDA/NOTICE/ADDENDUM as posted on the courthouse door of Val Verde County, at a place readily accessible to the general public at all times on the 21st day SEPTEMBER, 2017, at 3:27 o'clock p. m. and said AGENDA/NOTICE/ADDENDUM remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting.



A handwritten signature in blue ink that reads "Generosa Gracia Ramon". The signature is written in a cursive style.

GENEROSA GRACIA RAMON
VAL VERDE COUNTY CLERK

#1

FINAL

AN ORDER BY THE COMMISSIONERS COURT OF VAL VERDE COUNTY, TEXAS AUTHORIZING THE ISSUANCE OF "VAL VERDE COUNTY, TEXAS TAX AND REVENUE ANTICIPATION NOTES, SERIES 2017", PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE NOTES; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AND INVESTMENT LETTER; COMPLYING WITH THE REQUIREMENTS OF THE DEPOSITORY TRUST COMPANY'S LETTER OF REPRESENTATIONS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, pursuant to the provisions of Chapter 1431, as amended, Texas Government Code (the *Act*), the Commissioners Court (the *Governing Body*) of Val Verde County, Texas (the *County* or the *Issuer*) is authorized and empowered to borrow money for the purpose of paying cumulative cash flow deficit of the County and to evidence such loans with negotiable notes; provided such notes are issued only after a budget has been adopted for the current fiscal year; and

WHEREAS, a budget has been previously adopted by the County for the current fiscal year ending September 30, 2017;

WHEREAS, in accordance with the provisions of the Act, the County Auditor of the County has recommended and the Governing Body hereby finds and determines that it necessary, advisable, and in the best interests of the County to borrow money for the purpose of the County's cumulative cash flow deficit and to evidence such loans with negotiable notes (the *Notes*) payable from any available funds of the County;

WHEREAS, the Notes shall be authorized by an order adopted by a majority vote of the Governing Body;

WHEREAS, the Notes shall bear interest at a rate not to exceed the maximum rate as provided by Chapter 1204, as amended, Texas Government Code;

WHEREAS, the Notes hereinafter authorized and designated are to be issued and delivered pursuant to the provisions of the Act; and

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

WHEREAS, the Governing Body hereby finds and determines that the issuance of the Notes is in the best interests of the residents of the County, now, therefore,

82514061.3

BE IT ORDERED BY THE COMMISSIONERS COURT OF VAL VERDE COUNTY, STATE OF TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. Negotiable notes of the County shall be and are hereby authorized to be issued in the aggregate principal amount of ONE MILLION TWO HUNDRED THOUSAND AND NO/100 DOLLARS (\$1,200,000), to be designated and bear the title of "VAL VERDE COUNTY, TEXAS TAX AND REVENUE ANTICIPATION NOTES, SERIES 2017" (the *Notes*), for the purpose of providing funds for funding the cumulative cash flow deficit of the County and the paying costs of issuing the Notes; and, all in conformity with the laws of the State of Texas, particularly Chapter 1431, as amended, and an order finally adopted by the Governing Body on September 25, 2017.

SECTION 2. Fully Registered Notes - Authorized Denominations - Stated Maturities - Interest Rates - Dated Date. The Notes shall be issued as fully registered obligations, without coupons, shall be dated September 15, 2017 (the *Dated Date*) and shall be in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof (within a Stated Maturity), shall be lettered "R- " and numbered consecutively from One (1) upward and principal shall become due and payable on September 27, 2018 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, at the per annum rates, while Outstanding (hereinafter defined), in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2018	1,200,000	2.00

The Notes shall bear interest on the unpaid principal amounts from the Closing Date (hereinafter defined), or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Notes shall be payable on September 27, 2018 (the *Interest Payment Date*).

SECTION 3. Payment of Notes - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Notes, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable, without exchange or collection charges to the Holder (as hereinafter defined), appearing on the registration and transfer books maintained by the Paying Agent/Registrar (hereinafter defined), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Notes shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Notes.

The selection and appointment of BOKF, NA, Austin, Texas (the *Paying Agent/Registrar*), to serve as the initial Paying Agent/Registrar for the Notes is hereby approved and confirmed, and the County agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration,

payment, and transfer of the Notes, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the County may prescribe. The County covenants to maintain and provide a Paying Agent/Registrar at all times while the Notes are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The County reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or order terminating such agency. Additionally, the County agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Notes by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Notes, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Notes appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the County by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest on the Notes, (ii) on the date of surrender of the Notes for purposes of receiving payment of principal thereof upon redemption of the Notes or at the Notes' Stated Maturity, and (iii) on any date for any other purpose. The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Note for purposes of receiving payment and all other purposes whatsoever, and neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Notes shall be payable only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its corporate trust office (provided, however, with respect to principal payments prior to the final Stated Maturity, the Notes need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar). Interest on the Notes shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding an Interest Payment Date for the Notes (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Notes shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Notes was due.

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

SECTION 4. Redemption.

A. Optional Redemption. The Notes shall be subject to redemption prior to Stated Maturity, at the option of the County, on any date, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest to the date of redemption.

B. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Notes (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the County shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Notes, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the County to exercise the right to redeem Notes shall be entered in the minutes of the governing body of the County.

C. Selection of Notes for Redemption. If less than all Outstanding Notes of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Notes to be redeemed, provided that if less than the entire principal amount of a Note is to be redeemed, the Paying Agent/Registrar shall treat such Note then subject to redemption as representing the number of Notes outstanding which is obtained by dividing the principal amount of such Note by \$5,000.

D. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Notes, the Paying Agent/Registrar shall cause a notice of redemption shall be sent by United States Mail, first-class postage prepaid, in the name of the County and at the County's expense, by the Paying Agent/Registrar to each Holder of a Note to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder.

All notices of redemption shall (i) specify the date of redemption for the Notes, (ii) identify the Notes to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Notes, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Notes, or the principal amount thereof to be redeemed, shall be made at the corporate trust or other office of the Paying Agent/Registrar only upon

presentation and surrender thereof by the Holder. If a Note is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Note (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Notes (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on said Notes (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue, and such Notes shall not be deemed to be Outstanding in accordance with the provisions of this Order. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, The Bond Buyer and The Wall Street Journal), or in the State of Texas (including, but not limited to, The Texas Bond Reporter). Additionally, this notice may also be sent by the County to any registered securities depository and to any national information service that disseminates redemption notices.

If a Note is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Note (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Notes (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Note (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Notes shall not be deemed to be Outstanding.

E. Transfer/Exchange of Notes. Neither the County nor the Paying Agent/Registrar shall be required to transfer or exchange any Note during a period beginning forty-five (45) days prior to the date fixed for redemption of the Notes or to transfer or exchange any Note selected for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Note which is subject to redemption in part.

SECTION 5. Execution - Registration. The Notes shall be executed on behalf of the County by its County Judge under the seal of the Commissioners Court reproduced or impressed thereon, registered by the County Treasurer, and attested by the County Clerk. The signature of any of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the County shall bind the County, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Notes to the Purchasers (hereinafter defined), all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Note shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Note either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified or registered and delivered.

SECTION 6. Registration - Transfer - Exchange of Notes - Predecessor Notes. A Security Register relating to the registration, payment, transfer, or exchange of the Notes shall at all times be kept and maintained by the County at the corporate trust office of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Notes, or, if appropriate, the nominee thereof, issued under and pursuant to the provisions of this Order. Any Note may, in accordance with its terms and the terms hereof, be transferred or exchanged for Notes of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Note to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Note at the corporate trust office of the Paying Agent/Registrar, the County shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Note or Notes surrendered for transfer.

At the option of the Holder, Notes may be exchanged for other Notes of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange upon surrender of the Notes to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Notes are so surrendered for exchange, the County shall execute, and the Paying Agent/Registrar shall register and deliver, the Notes to the Holder requesting the exchange.

All Notes issued upon any transfer or exchange of Notes shall be delivered at the corporate trust or other office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the County, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Notes surrendered upon such transfer or exchange.

All transfers or exchanges of Notes pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Notes canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Notes, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Notes shall include any Note registered and delivered pursuant to Section 16 in lieu of a mutilated, lost, destroyed, or stolen Note which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 7. Initial Notes. The Notes herein authorized shall be initially issued as a single fully registered Note in the aggregate principal amount of \$1,200,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the *Initial Notes*), and the Initial Notes shall be registered in the name of the Purchasers or the designee

thereof. The Initial Notes shall be the Notes submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Notes, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Notes delivered hereunder and exchange therefor definitive Notes of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8. FORMS.

A. Forms Generally. The Notes, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of the Paying Agent/Registrar, and the form of Assignment to be printed on each of the Notes shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Notes, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the County or determined by the officers executing the Notes as evidenced by their execution thereof. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

The definitive Notes shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Notes as evidenced by their execution thereof, but the Initial Note(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

[The remainder of this page intentionally left blank.]

B. Form of Definitive Note.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
VAL VERDE COUNTY, TEXAS
TAX AND REVENUE ANTICIPATION NOTES, SERIES 2017

Dated Date:	Interest Rate:	Stated Maturity:	CUSIP NO:
September 15, 2017	2.00%	_____	_____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Val Verde County, Texas (the *County*), a body corporate and a political subdivision of the State of Texas, 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, on the Stated Maturity date specified above (or so much thereof as shall not have been paid upon prior redemption), the Principal Amount specified above and to pay interest on the unpaid Principal Amount hereof from the Closing Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for to the earlier of redemption or Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on September 27, 2018.

Principal on this Note shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender (provided, however, with respect to principal payments prior to the final Stated Maturity, the Notes need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar), at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Note (or one or more Predecessor Notes, as defined in the Order hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each interest payment date. All payments of principal of and interest on this Note shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Note is one of the series specified in its title issued in the aggregate principal amount of \$1,200,000 (the *Notes*) pursuant to an order adopted by the governing body of the County (the *Order*), for the purpose of providing funds for the purpose of paying the cumulative cash flow deficit of the County and paying the costs of issuing the Notes, all in conformity with the laws of the State of Texas, including Chapter 1431, as amended, Texas Government Code, and the Order.

The Notes are payable from certain available funds of the County, specifically ad valorem taxes levied, within the limitations prescribed by law, on all taxable property located within the County.

The Notes may be redeemed prior to their Stated Maturities, at the option of the County, on any date, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by United States Mail, first-class postage prepaid, to Holders of the Notes to be redeemed, and subject to the terms and provisions relating thereto contained in the Order.

If this Note is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Note to the Paying Agent/Registrar at its corporate trust or other office, a new Note or Notes of like Stated Maturity and interest rate in any authorized denominations provided in the Order for the then unredeemed balance of the principal sum hereof.

If this Note (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Note (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price, and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. In the event of a partial redemption of the principal amount of this Note, payment of the redemption price of such principal amount shall be made to the registered owner only upon presentation and surrender of this Note to the corporate trust office of the Paying Agent/Registrar and, there shall be issued to the registered owner hereof, without charge, a new Note or Notes of like maturity and interest rate in any authorized denominations provided in the Order for the then unredeemed balance of the principal sum hereof. If this Note is called for redemption, in whole or in part, the County or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Note within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

Reference is hereby made to the Order, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Notes; the terms and conditions relating to the

transfer or exchange of the Notes; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Note may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Order. Capitalized terms used herein have the same meanings assigned in the Order.

This Note, subject to certain limitations contained in the Order, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Notes of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Note as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, or its redemption, in whole or in part and (iii) on any date as the owner hereof for all other purposes, and neither the County nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented and declared that the County is a body corporate and political subdivision duly organized and legally existing under and by virtue of the laws of the State of Texas; that this Note has been issued pursuant to and in compliance with Chapter 1431, as amended, Texas Government Code, and pursuant to the Order duly adopted by the Governing Body of the County and constitutes a valid and binding obligation of the County payable from available funds of the County, within the limitations prescribed by law, in accordance with and as authorized by the provisions of Chapter 1431, as amended, Texas Government Code. In case any provision in this Note 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. The terms and provisions of this Note and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the County has caused this Note to be duly executed under its official seal.

VAL VERDE COUNTY, TEXAS

County Judge

COUNTERSIGNED:

REGISTERED:

County Clerk and Ex-Officio
Clerk of the Commissioners Court

County Treasurer

(SEAL OF COMMISSIONERS COURT)

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C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Notes Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF §
PUBLIC ACCOUNTS §
THE STATE OF TEXAS § REGISTER NO. _____
§

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

WITNESS my signature and seal of office this _____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Not to appear on printed Notes.

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date: BOKF, NA, Austin, Texas, as Paying
Agent/Registrar

_____ By: _____
Authorized Signature

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number): _____

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

DATED: _____

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

Signature guaranteed:

F. The Initial Notes shall be in the respective forms set forth in paragraph B of this Section, except that the form of a single fully registered Initial Note shall be modified as follows:

- (i) immediately under the name of the Note(s) the headings "Interest Rate ____" and "Stated Maturity _____" shall both be completed "as shown below";

Registered Owner: _____

Principal Amount: _____

- (ii) the first two paragraphs shall read as follows:

Val Verde County, Texas (the *County*), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the first twenty-seventh day of September in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

Years of Principal Interest
Stated Maturity Amounts (\$) Rates (%)

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

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the date of delivery of the Notes to the initial purchaser (October 4, 2017), or from the most recent Interest Payment Date (hereinafter defined) 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, to Stated Maturity or prior redemption, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on September 27, 2018 (the *Interest Payment Date*).

Principal of this Note shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, to Stated Maturity or prior redemption, while Outstanding (provided, however, with respect to principal payments prior to the final Stated Maturity, the Notes need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar), at the corporate trust office of BOKF, NA, Austin, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Note whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each interest payment date. All payments of principal of and interest on this Note shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

[The remainder of this page intentionally left blank.]

G. Insurance Legend. If bond insurance is obtained by the County or the Purchasers for the Notes, the Definitive Notes and the Initial Notes shall bear an appropriate legend as provided by the insurer.

SECTION 9. Definitions. For all purposes of this Order (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 20 and 37 of this Order have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Order to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Order as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Officials* shall mean the County Judge, County Clerk, County Auditor and/or the County Treasurer.

B. The term *Closing Date* shall mean the date of physical delivery of the Initial Notes in exchange for the payment in full by the Purchasers.

C. The term *County* shall mean Val Verde County, Texas, and, where appropriate, the Commissioners Court of the County.

D. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the County as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

E. The term *Depository* shall mean an official depository bank of the County.

F. The term *Government Securities* as used herein, shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Notes.

G. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Note.

H. The term *Interest Payment Date* shall mean the date interest is payable on the Notes, being September 27, 2018, while any of the Notes remain Outstanding.

I. The term *Note Payment Account* shall mean the special Fund created and established by the provisions of Section 10 of this Order.

J. The term *Notes* shall mean the \$1,200,000 "VAL VERDE COUNTY, TEXAS TAX AND REVENUE ANTICIPATION NOTES, SERIES 2017" authorized by this Order.

K. The term *Order* shall mean this order finally adopted by the Governing Body of the County on September 25, 2017.

L. The term *Outstanding* when used in this Order with respect to Notes shall mean, as of the date of determination, all Notes issued and delivered under this Order, except:

(1) those Notes canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Notes for which payment has been duly provided by the County in accordance with the provisions of Section 22 of this Order; and

(3) those Notes that have been mutilated, destroyed, lost, or stolen and replacement Notes have been registered and delivered in lieu thereof as provided in Section 16 of this Order.

M. The term *Purchasers* shall mean the initial purchaser or purchasers of the Notes named in Section 17 of this Order.

N. The term *Stated Maturity* shall mean the annual principal payments of the Notes payable on September 27, 2018, as set forth in Section 2 of this Order.

SECTION 10. Tax Levy and Pledge of Available Funds. To provide for the payment of the Debt Service Requirements on the Notes being (i) the interest on the Notes and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Notes or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars' valuation of taxable property in the County, adequate to pay such Debt Service Requirements. The Notes shall be and are hereby made payable from certain available funds of the County including specifically ad valorem taxes levied, within the limitations prescribed by law, by the County for the fiscal year ending September 30, 2018, and the ad valorem taxes are hereby pledged to the payment of the principal of and interest on the Notes until there has been deposited to the credit of the "Tax and Revenue Anticipation Note Payment Account Interest and Sinking Fund" (the *Note Payment Account*) an amount sufficient to pay in full the Notes and accrued interest thereon at stated maturity. The Note Payment Account shall be established and maintained at the Depository. Until such time as the

amount on deposit to the credit of the Note Payment Account is equal to the amount required to fully pay the principal of and interest on the Notes to stated maturity, available funds of the County (excluding amounts levied for the payment of the debt service requirements on bonds of the County and amounts on deposit in the Proceeds Account hereinafter referenced) received after the delivery of the Notes shall be deposited as received in the Note Payment Account. The County further covenants that on or before September 27, 2018, there shall be deposited into the Note Payment Account from such available funds of the County an amount sufficient to pay the principal of and the remaining interest on the Notes not later than the Stated Maturity date.

When the amount required to be deposited in the Note Payment Account by the preceding paragraph has been fully deposited therein, no additional available funds shall be deposited to the Note Payment Account.

SECTION 11. Note Payment Account. The Note Payment Account is hereby created on the books of the County as a subaccount of the General Operating Fund of the County for the payment of the principal of and interest on the Notes. The Note Payment Account shall be used only for paying the interest on and principal of the Notes.

Authorized Officials of the County are hereby authorized and directed to cause to be transferred to the holders of the Notes, from funds on deposit in the Note Payment Account, amounts sufficient to fully pay and discharge promptly the principal of and interest on the Notes on the Stated Maturity date; such transfers of funds to be made in such manner as will cause funds to be deposited with the Purchasers on or before the Stated Maturity date for the Notes.

SECTION 12. Security of Funds. All money on deposit in the Funds for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Order.

SECTION 13. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the County covenants and agrees particularly that in the event the County (a) defaults in the payments to be made to the Note Fund or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Notes shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the County and other officers of the County to observe and perform any covenant, condition, or obligation prescribed in this Order.

No delay or omission to exercise any right or power accruing upon any 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 and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 14. Notices to Holders - Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly

provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 15. Cancellation. All Notes surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the County, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The County may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the County may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Notes held by the Paying Agent/Registrar shall be destroyed as directed by the County.

SECTION 16. Mutilated, Destroyed, Lost, and Stolen Notes. If (1) any mutilated Note is surrendered to the Paying Agent/Registrar, or the County and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Note, and (2) there is delivered to the County and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the County or the Paying Agent/Registrar that such Note has been acquired by a bona fide purchaser, the County shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Note, a new Note of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Note has become or is about to become due and payable, the County in its discretion may, instead of issuing a new Note, pay such Note.

Upon the issuance of any new Note or payment in lieu thereof, under this Section, the County may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Note issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Note shall constitute a replacement of the prior obligation of the County, whether or not the mutilated, destroyed, lost, or stolen Note shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Notes.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Notes.

SECTION 17. Sale of the Notes - Authorization of Purchase and Investment Letter. The Notes authorized by this Order are hereby sold to Presidio Short Term Tax Exempt Fund, L.P., San Antonio, Texas (the *Purchasers* having all the rights, benefits, and obligations of a Holder) in accordance with the provisions of the Purchase and Investment Letter dated September 25, 2017 (the *Purchase Letter*), attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes. The pricing and terms of the sale of the Notes are hereby found and determined to be the most advantageous reasonably obtainable by the County. The Initial Note shall be registered in the name of Presidio Short Term Tax Exempt Fund, L.P. The County Judge and/or County Clerk are hereby authorized and directed to execute the Purchase Letter for and on behalf of the Commissioners Court and as the act and deed of the Governing Body and in regard to the approval and execution of the Purchase Letter, the Governing Body hereby finds, determines, and declares that the representations, warranties, and agreements of the County contained in the Purchase Letter are true and correct in all material respects and shall be honored and performed by the County. Delivery of the Notes shall be made to the Purchasers as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Purchase Letter.

SECTION 18. Proceeds of Sale. The proceeds of sale of the Notes received from the Purchasers shall be deposited in a special account, hereby created, to be called the "Proceeds Account" within the General Operating Fund. Amounts in the Proceeds Account shall be invested only as authorized by the provisions of this Order until used for the purposes herein authorized. Investment earnings on amounts on deposit in the Proceeds Account will be deposited to the Note Payment Account until such account has accumulated the balance required and thereafter the amounts received by the County from the investment of the amounts in the Proceeds Account will be deposited into the General Operating Fund of the County when the Notes are no longer Outstanding. The Proceeds Account shall be established and maintained at the Depository.

SECTION 19. Investments. Money deposited in any fund or account established pursuant to the provisions of this Order may, at the option of the County, be placed in time deposits or certificates of deposit, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from such Funds will be available at the proper time or times. All interest and income derived from deposits

and investments in such Funds shall be credited to, and any losses debited to, such Funds. All such investments shall be sold promptly when necessary to prevent any default in connection with the Notes.

SECTION 20. Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

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

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

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

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

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

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

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

Yield of

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

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

B. Not to Cause Interest to Become Taxable. The County shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Notes to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the County receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the

exemption from federal income tax of the interest on any Note, the County shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent that it will not cause the Notes to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the County shall at all times prior to the last Stated Maturity of Notes:

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

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

D. No Private Loan. Except to the extent that it will not cause the Notes to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the County shall not use Gross Proceeds of the Notes to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent that it will cause the Notes to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the County shall not at any time prior to the final Stated Maturity of the Notes directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Notes.

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

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

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder, or except to the extent the County complies with Subsection J of this Section:

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

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

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

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

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

J. No Rebate Required. The County need not comply with the covenants and duties imposed by the provisions of Subsection H. of this Section if:

(1) the County is a governmental unit with general taxing powers;

(2) 95% of the Net Proceeds of the Bonds and all income from the investment thereof will be used for the governmental activities of the County;

(3) the aggregate face amount, within the meaning of Section 1.148 8(c)(1) of the Regulations, of all debt obligations (other than private activity bonds) issued or expected to be issued by the County or any subordinate entity in the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000; and

(4) the County otherwise satisfies the requirements of paragraph (4)(c) of section 148(f) of the Code and Section 1.148 8 of the Regulations and rulings thereunder.

K. Notes Not Hedge Bonds.

(1) The County reasonably expects to spend at least 85% of the spendable proceeds of the Notes within three years after such Notes are issued.

(2) Not more than 50% of the proceeds of the Notes will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

L. Elections. The County hereby directs and authorizes the County Judge, County Auditor, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

M. Qualified Tax-Exempt Obligations. The County hereby designates the Notes as *qualified tax-exempt obligations* for purposes of section 265(b) of the Code. In furtherance of such designation, the County represents, covenants and warrants the following: (a) during the calendar year in which the Notes are issued, the County (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Notes, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) the County reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2017 by the County (including any subordinate entities) will not exceed \$10,000,000; and (c) the

County will take such action or refrain from such action as is necessary in order that the Notes will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 21. Control and Custody of Notes. The County Judge shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Notes pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Notes to the Purchasers.

Furthermore, the County Judge, County Clerk, County Auditor, or the County's legal advisor, either or all, are hereby authorized and directed to furnish and execute such documents relating to the County and its financial affairs as may be necessary for the issuance of the Notes, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the County's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Notes to the Purchasers and the initial exchange thereof for definitive Notes.

SECTION 22. Satisfaction of Obligation of County. If the County shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Notes, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the County to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Notes, or any principal amounts thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Notes or the principal amounts thereof at Stated Maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have in the case of a net defeasance, been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Notes, or the principal amount(s) thereof, at the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. In the event of a gross defeasance of the Notes, the County shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Notes. The County covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Notes to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 20 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Notes, or any principal

amounts thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the County or deposited as directed by the County. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Notes and remaining unclaimed for a period of three (3) years after the Stated Maturity or applicable redemption date of the Notes such money was deposited and is held in trust to pay shall, upon the request of the County, be remitted to the County against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem defeased Notes that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the County expressly reserves the right to call the defeased Notes for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Notes immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Notes, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Notes.

SECTION 23. Printed Opinion. The Purchasers' obligation to accept delivery of the Notes is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, as Bond Counsel, approving certain legal matters as to the Notes, said opinion to be dated and delivered as of the date of initial delivery and payment for such Notes. Printing of a true and correct copy of said opinion on the reverse side of each of said Notes, with appropriate certificate pertaining thereto executed by facsimile signature of the County Clerk of the County is hereby approved and authorized.

SECTION 24. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Notes shall be of no significance or effect as regards the legality thereof, and neither the County nor attorneys approving said Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Notes.

SECTION 25. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 26. Order a Contract; Amendments - Outstanding Notes. The County acknowledges that the covenants and obligations of the County herein contained are a material inducement to the purchase of the Notes. This Order shall constitute a contract with the Holders from time to time, shall be binding on the County and its successors and assigns, and shall not be amended or repealed by the County so long as any Note remains Outstanding except as permitted in this Section. The County may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the County may, with the written consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding affected thereby, amend, add to, or rescind any of

the provisions of this Order; provided that, without the consent of all Holders of Outstanding Notes, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, and interest on the Notes, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required for consent to any such amendment, addition, or rescission.

SECTION 27. Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the County, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the County, Bond Counsel, the Paying Agent/Registrar, and the Holders.

SECTION 28. Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters ordered herein.

SECTION 29. Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 30. Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 31. Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Order would have been enacted without such invalid provision.

SECTION 32. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 33. Authorization of Paying Agent/Registrar Agreement. The Governing Body of the County hereby finds and determines that it is in the best interest of the County to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, and transferability of the Notes. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Order.

SECTION 34. Public Meeting. It is officially found, determined, and declared that the meeting at which this Order is finally adopted was open to the public and public notice of the time,

place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 35. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the County or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 36. No Recourse Against County Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Note or for any claim based thereon or on this Order against any official of the County or any person executing any Note.

SECTION 37. Continuing Disclosure Undertaking.

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

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

SEC means the United States Securities and Exchange Commission.

The Notes are being sold pursuant to a private placement with the Purchasers, generally in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof, to less than thirty-five sophisticated investors, and therefore SEC Rule 15c2-12 is not applicable to the offering of the Notes. Accordingly, no contract to provide continuing disclosure information after the issuance of the Notes has been made by the County with investors.

SECTION 38. Book-Entry Only System.

The Notes may initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Notes shall be issued (following cancellation of the Initial Notes described in Section 7) in the form of a separate single definitive Note. Upon issuance, the ownership of each such Note shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Notes shall be registered in the name of Cede & Co., as the nominee of DTC. The County and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit C (the *Representation Letter*).

With respect to the Notes registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Notes from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a

Depository Participant holds an interest in the Notes (an *Indirect Participant*). Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Notes, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Notes, as shown on the Security Register, of any notice with respect to the Notes, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Note, of any amount with respect to principal of, premium, if any, or interest on the Notes. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Note evidencing the obligation of the County to make payments of principal, premium, if any, and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

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

Notwithstanding any other provision of this Order to the contrary, so long as any Note is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 39. Further Procedures. The officers and employees of the County are hereby 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 corporate 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 initial sale and delivery of the Notes, the Purchase Letter, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Notes, County Judge, County Auditor, and County Clerk of the County, 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 and approved 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 Texas

Attorney General's office. In case any officer of the County whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 40. Accounting Reports. The County shall provide annually to the Purchasers, for so long as they are the holder of the Notes, within 270 days after the end of each fiscal year ending in or after 2017, financial information and operating data with respect to the County; provided that such financial statements so to be provided shall be (1) prepared in accordance with the generally accepted accounting principles, or such other accounting principles as the County may be required to employ from time to time pursuant to Texas law or regulations, and (2) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the County shall provide (1) unaudited financial statements for the applicable fiscal year within 270 days after the end of such fiscal year, and (2) audited financial statements for the applicable fiscal year to the Purchasers when and if the audit report on such statements become available.

SECTION 41. County's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the County hereby consents to and authorizes any Authorized Representative, Bond Counsel to the County, and/or Financial Advisor to the County to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Notes; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Notes.

SECTION 42. Effective Date. This Order shall be in force and effect from and after its passage on the date shown below.

[The remainder of this page intentionally left blank.]

PASSED AND APPROVED this the 25th day of September, 2017.

VAL VERDE COUNTY, TEXAS

County Judge

ATTEST:

County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)

INDEX TO EXHIBITS

Exhibit A Paying Agent/Registrar Agreement
Exhibit B Purchase and Investment Letter
Exhibit C DTC Letter of Representations

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. 2

82514061.3

A-1

EXHIBIT B

Purchase and Investment Letter

See Tab No. 4

82514061.3

B-1

EXHIBIT C

DTC Letter of Representations

See Tab No. 3

82514061.3

C-1

member of the Court was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Order would be considered; and the Meeting and deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the Order, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this 25th day of September, 2017.



(SEAL OF COMMISSIONERS COURT)

County Clerk and Ex-Officio Clerk of the
Commissioners Court of Val Verde County,
Texas