

ORDER NO. 2017-\_\_\_\_\_

AN ORDER AUTHORIZING THE ISSUANCE OF \$3,808,978 FORT BEND COUNTY, TEXAS, TAX NOTE, SERIES 2017; SPECIFYING THE TERMS AND FEATURES OF SUCH NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID NOTES; RESOLVING OTHER MATTERS INCIDENT TO THE ISSUANCE, SALE PAYMENT OF THE NOTES; AUTHORIZING A PAYING AGENT/REGISTRAR AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE

THE STATE OF TEXAS                   §  
  §  
COUNTY OF FORT BEND           §

WHEREAS, the Commissioners Court of Fort Bend County, Texas, a political subdivision of the State of Texas, is authorized pursuant to and in accordance with the provisions of Chapter 1431, Texas Government Code, as amended, to issue tax notes to provide funds to pay contractual obligations incurred or to be incurred for purposes authorized by such Act, to wit, to pay for (i) contractual obligations incurred for the construction of public works and the purchase of materials, supplies, equipment, and machinery, buildings, lands and rights of way for the County's authorized needs and purposes, or for professional services, and (ii) the costs of issuance of the Notes; and

WHEREAS, the Commissioners Court of the County has determined that it is in the best interests of the County to issue tax notes to fund the construction of roads in the County's; Now, Therefore

BE IT ORDERED BY THE COMMISSIONERS COURT OF FORT BEND COUNTY, TEXAS, THAT:

1.     Definitions. Throughout this Order the following terms and expressions as used herein shall have the meanings set forth below:

“Act” means Chapter 1431, Texas Government Code, as amended.

"Adjusted One Month LIBOR Rate" means, for any day, the sum of (i) 2.50% per annum plus (ii) the quotient of (a) the interest rate determined by the JPMorgan Chase Bank, N.A., by reference to Reuters Screen LIBOR01 (or on any successor or substitute page of such service (or any successor to or substitute for such service) providing rate quotations comparable to those currently provided on such page of such service, as determined by the JPMorgan Chase Bank, N.A. from time to time for purposes of

providing quotations of interest rates applicable to dollar deposits in the London interbank market) to be the per annum rate at approximately 11:00 a.m., London time, on such day (or, if such day is not a business day (any day other than a Saturday, Sunday, legal holiday or any other day on which the JPMorgan Chase Bank, N.A. is authorized or required to close), on the immediately preceding business day) for dollar deposits then made in the London interbank market with a maturity equal to one (1) month, divided by (b) one minus the Reserve Requirement (expressed as a decimal) applicable to dollar deposits in the London interbank market with a maturity equal to one (1) month.

"Base Rate" means, for any day, a rate of interest per annum equal to the higher of (i) the Prime Rate for such day and (ii) the Adjusted One Month LIBOR Rate for such day. Each change in the Base Rate shall take effect simultaneously with the corresponding change or changes in the Prime Rate or Adjusted One Month LIBOR Rate, as the case may be.

"Business Day" means any day which is not a Saturday, Sunday, or a day on which the Registrar is authorized by law or executive order to remain closed.

"Construction Fund" means the fund referred to in this Order.

"Commissioners Court" means the Commissioners Court of the County.

"Closing Date" means January 31, 2017.

"Code" means the Internal Revenue Code of 1986, as amended.

"County" means Fort Bend County, Texas.

"Default Rate" means the Base Rate plus 4.00%.

"Determination of Taxability" means any determination, decision, or decree that all or any portion of the interest payable on the Notes is includable in the gross income of a holder or former holder of the Notes as a result of the occurrence of a Taxable Event. A Determination of Taxability shall be deemed to have occurred on the first to occur of the following:

(a) on that date when the County files any statement, supplemental statement or other tax schedule, return or document which discloses that a Taxable Event shall have occurred; or

(b) on that date when the County shall be advised in writing by the Commissioner or any District Director of Internal Revenue that, based upon any filings of the County or upon any review or audit of the County or upon any other ground whatsoever, a Taxable Event shall have occurred; or

(c) on that date when the County receives written notification from (A) any owner or any former owner of the Notes that the Internal Revenue Service has assessed as includable in the gross income of any owner or any former owner of the Notes all or any portion of the interest on the Notes due to the occurrence of a Taxable Event, or (B) the Commissioner or any District Director of Internal Revenue that all or any portion of the interest on the Notes is includable in the gross income of any owner or any former owner of the Notes due to the occurrence of a Taxable Event;

provided, however, that with respect to clauses (b) and (c) above, a Determination of Taxability shall not be deemed to have occurred (y) unless the County shall have been given written notice thereof and afforded the opportunity to contest the same at its own expense and upon indemnification of such owner or former owner, and (z) so long as the County is contesting in good faith and by appropriate proceedings, either directly or through an owner or former owner, the allegation of an occurrence of a Taxable Event; provided, that if any contest has not been finally determined within two years following the occurrence of an event set forth in clauses (b) or (c), a Determination of Taxability shall be deemed to have occurred.

“Initial Note” means the Initial Note authorized by **Section 4** of this Order.

“Initial Purchaser” means the initial purchaser of the Notes identified in **Section 23** of this Order.

“Interest and Sinking Fund” means the interest and sinking fund created in this Order.

“Interest Payment Date,” when used in connection with any Note, means May 1, 2017, and each December 1 and May 1 thereafter until maturity or prior redemption of such Note.

“Note” or “Notes” means one or more notes of the issue of Fort Bend County, Texas, Tax Note, Series 2017, authorized in this Order, unless the context clearly indicates otherwise.

“Order” as used herein and in the Notes means this Order authorizing the Notes.

“Paying Agent” means the Registrar.

“Prime Rate” means the rate of interest per annum publicly announced from time to time by the Initial Purchaser as its prime rate. Each change in the Prime Rate shall be effective from and including the date such change is publicly announced as being effective. The Prime Rate may be greater or less than the interest rates charged by the Initial Purchaser to other borrowers and is not solely based or dependent upon the interest rate which the Initial Purchaser may charge any particular borrower or class of borrowers. Each determination of the Prime Rate by the Initial Purchaser shall be deemed conclusive and binding on the County absent manifest error.

“Record Date” means, for any Interest Payment Date, the fifteenth calendar day of the month next preceding each Interest Payment Date.

“Register” means the books of registration kept by the Registrar, in which are maintained the names and addresses of, and the principal amounts of the Notes registered to, each Registered Owner.

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

“Registrar” means JPMorgan Chase Bank, N.A., and its successors in that capacity.

"Reserve Requirement" means the maximum aggregate reserve requirement (including all basic, supplemental, marginal and other reserves) which is imposed under Regulation D of the Board of Governors of the Federal Reserve System for Eurocurrency liabilities.

"Taxable Event" means the application of the proceeds of the Notes in any manner or the existence of any condition or the occurrence or nonoccurrence of any event, whether within or without the control of the County, which has the result that, under the Code and the Regulations, all or any portion of the interest on the Notes is or becomes includable in the gross income of a holder or former holder of the Notes; provided, the foregoing shall exclude events controlled or caused by either the County or the Initial Purchaser.

2. Authorization. The Note shall be issued in fully registered form, without coupons, in the total aggregate amount of \$3,808,978 for the purpose or purposes of paying (i) contractual obligations incurred for the construction of road pursuant to Texas Government Code Section 1431.004(a)(1)(A), and (ii) the cost of issuance of the Notes.

3. Designation, Date, and Interest Payment Dates. The Notes shall be designated as the "FORT BEND COUNTY, TEXAS, TAX NOTE, SERIES 2017," and shall be dated January 31, 2017. The Notes shall bear interest at the rates set forth below from the later of the date of delivery, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, interest payable on May 1, 2017, and each December 1 and May 1 semiannually thereafter until maturity or prior redemption.

4. Initial Note; Interest Rates; Maturities; Principal Amounts and Denominations. (a) The Note shall be issued bearing the numbers, in the principal amounts, and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Order. The Note shall mature on November 1, 2023. The Initial Note shall be numbered IN-1 and all other Notes shall be numbered in sequence beginning with R-1. Notes delivered in transfer of or in exchange for other Notes shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$100,000, or a multiple of \$5,000 greater than \$100,000, and shall mature on the same date and bear interest at the same rate as the Note or Notes in lieu of which they are delivered.

<u>Principal Amount</u>	<u>Year</u>	<u>Interest Rate</u>
\$3,808,978	2023	2.26%

(b) Upon the occurrence of an Event of Default (as defined in Section 36 hereof), the Notes thereafter will bear interest at the Default Rate until the Event of Default has been cured by the County or the final maturity of the Notes, whichever is the earlier to occur. Upon the cure of an Event of Default, the Notes will cease bearing interest at the Default Rate and resume bearing interest at the rate stated above. Interest on the Notes will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

(c) Should a Determination of Taxability occur, the County shall pay to the Initial Purchaser, from the commencement date of any Taxable Event interest at a rate of 2.94%.

5. Redemption. The Notes are subject to optional redemption at the dates and for the redemption prices set forth in the form of Note in this Resolution.

Principal amounts may be redeemed only in integral multiples of \$5,000. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such

Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Notes for redemption, the Registrar shall treat each Bond as representing that number of Notes of \$5,000 denomination which is obtained by dividing the principal amount of such Bond by \$5,000. The Registrar shall select the particular Notes to be redeemed within any given maturity by lot or other random selection method. Upon surrender of any Bond for redemption in part, the Registrar shall authenticate and deliver in exchange therefor a Bond or Notes of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Notice of any redemption identifying the Notes to be redeemed in whole or in part shall be given by the Registrar at least 30 days prior to the date fixed for redemption by sending written notice by first class mail, postage prepaid, to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register. Such notices shall state the redemption date, the redemption price, the place at which Notes are to be surrendered for payment and, if fewer than all Notes outstanding are to be redeemed within any one maturity, the numbers of the Notes or portions thereof to be redeemed. Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the portions of the Notes to be redeemed, as of the date fixed for redemption. When Notes have been called for redemption in whole or in part and due provision has been made to redeem same as herein provided, the Notes or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

6. Execution of Notes; Seal. The Notes shall be signed by the County Judge of the County and countersigned by the County Clerk, by their manual, lithographed, or facsimile signatures, and the official seal of the County shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Notes shall have the same effect as if each of the Notes had been signed manually and in person by each of said officers, and such facsimile seal on the Notes shall have the same effect as if the official seal of the County had been manually impressed upon each of the Notes. If any officer of the County whose manual or facsimile signature shall appear on the Notes shall cease to be such officer before the authentication of such Notes or before the delivery of such Notes, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

On the Closing Date, the Initial Note, being a single Note representing the entire principal amount of the Notes, (the "Initial Note"), payable in stated installments to the

Initial Purchaser or its designee, executed by manual or facsimile signature of the County Judge of the County and by the County Clerk, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, shall be delivered to the Initial Purchaser or its designee. Upon payment for the Initial Note, the Registrar shall cancel the Initial Note and deliver Notes to the Purchaser.

7. Approval by Attorney General; Registration by Comptroller. The Notes to be initially issued shall be delivered to the Attorney General of Texas for approval and shall be registered by the Comptroller of Public Accounts of the State of Texas. The manually executed registration certificate of the Comptroller of Public Accounts substantially in the form provided in this Order shall be attached or affixed to the Notes to be initially issued.

8. Authentication. Except for the Initial Note, which need not be authenticated by the Registrar, only such Notes which bear thereon a certificate of authentication, substantially in the form provided in this Order, manually executed by an authorized representative of the Registrar, shall be entitled to the benefits of this Order or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Notes so authenticated were delivered by the Registrar hereunder.

9. Payment of Principal and Interest. The Registrar is hereby appointed as the paying agent for the Notes. The principal of and interest on the Notes are payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America. Principal is payable upon presentation and surrender of the Notes as they respectively become due and payable, whether at maturity or by prior redemption, at the principal payment office of the Registrar in Houston, Texas, except for mandatory redemption payments, for which no presentation is required. Interest is payable by check or draft dated as of the Interest Payment Date, mailed by the Registrar on each Interest Payment Date to the Registered Owner of record as of the Record Date, first class, postage prepaid, to the address of such Registered Owner as shown in the Register, or by such other customary banking arrangements as may be agreed upon by the Registrar and the Registered Owner, at the risk and expense of the Registered Owner. Any accrued interest payable at maturity on a Note shall be paid upon presentation and surrender of such Note at the operations office of the Registrar.

If the date for payment of the principal of or interest on any Note is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date such payment was originally due.

10. Successor Registrars. The County covenants that at all times while any Notes are outstanding it will provide a national or state banking institution, which shall be 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, and which shall be subject to supervision or examination by federal or state authority, to act as Registrar for the Notes. The County reserves the right to change the Registrar for the Notes on not less than 30 days written notice to the Registrar, so long as any such notice is effective not less than 60 days prior to the next succeeding principal or Interest Payment Date on the Notes. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Registered Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

11. Special Record Date. If interest on any Note is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the County. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five days prior to the Special Record Date, to each affected Registered Owner of record as of the close of business on the day prior to the mailing of such notice.

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

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



13-15. Reserved.

16. Registration, Transfer, and Exchange. So long as any Notes remain outstanding, the Registrar shall keep the Register at its principal payment office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Notes in accordance with the terms of this Order.

Each Note shall be transferable only upon the presentation and surrender thereof at the operations office of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Note in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Note or Notes, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Note or Notes so presented.

All Notes shall be exchangeable upon presentation and surrender thereof at the principal payment office of the Registrar for a Note or Notes of like maturity and interest rate and in any authorized denomination, in an aggregate amount equal to the unpaid principal amount of the Note or Notes presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Notes in accordance with the provisions of this Section. Each Note delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Note or Notes in lieu of which such Note is delivered.

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

17. Mutilated, Lost, or Stolen Notes. Upon the presentation and surrender to the Registrar of a mutilated Note, the Registrar shall authenticate and deliver in exchange therefor a replacement Note of like maturity, interest rate, and principal amount, bearing a number not contemporaneously outstanding. If any Note is lost, apparently destroyed, or wrongfully taken, the County, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Note has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Note of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding.

The County or the Registrar may require the Registered Owner of a mutilated Note to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The County or the Registrar may require the Registered Owner of a lost, apparently destroyed or wrongfully taken Note, before any replacement Note is issued, to:

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

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

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

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

18. Cancellation of Notes. All Notes paid in accordance with this Order, and all Notes in lieu of which exchange Notes or replacement Notes are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. Upon request, the Registrar shall furnish the County with appropriate certificates of destruction of such Notes.

19. Forms. The form of the Notes, including the form of the Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, which shall be attached or affixed to the Notes initially issued, shall be, respectively, substantially as follows, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Order, including any legend regarding Note insurance if such insurance is obtained by the purchaser:

a. Form of Note

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF FORT BEND

REGISTERED  
NUMBER  
R-\_\_

REGISTERED  
\$\_\_\_\_\_

FORT BEND COUNTY, TEXAS  
TAX NOTE, SERIES 2017

INTEREST RATE:

MATURITY DATE:

ISSUE DATE:  
January 31, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

FORT BEND COUNTY, TEXAS (the "County") promises to pay to the Registered Owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Note at the principal payment office of the registrar (the "Registrar"), initially, JPMorgan Chase Bank, N.A., the principal amount identified above, (except for mandatory redemption payments, for which no presentation is required) and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the date of delivery of this Note, or the most recent interest payment date to which interest has been paid or duly provided for. Principal of and interest on this Note are payable in any coin or currency

of the United States of America which on the date of payment is legal tender for the payment of debts due the United States of America. Interest on this Note is payable by check or draft on May 1, 2017, and each November 1 and May 1 semiannually thereafter, mailed to the Registered Owner as shown on the books of registration kept by the Registrar as of the fifteenth day of the month next preceding each interest payment date (the "Record Date"), or by such other customary banking arrangements as may be agreed upon by the Registrar and the Registered Owner, at the risk and expense of the Registered Owner. The Note is dated as of the Issue Date.

THIS NOTE is one of a duly authorized issue of Notes, aggregating \$3,808,978 (the "Notes"), for the purpose or purposes of paying (i) contractual obligations incurred for the construction of roads in the County and Texas Government Code Section 1431.004(a)(1)(A), and (ii) the cost of issuance of the Notes, and pursuant to an Order adopted by the Commissioners Court of the County on January 3, 2017 (the "Order").

THIS NOTE, and the other Notes of the series of which it is a part, are payable from the proceeds of an annual ad valorem tax levied within the limits prescribed by law upon all taxable property within the County. Reference is hereby made to the Order for a complete description of the terms, covenants and provisions pursuant to which this Note and said series of Notes are secured and made payable; the respective rights thereunder of the Registered Owners of the Notes, the County and the Registrar; and the terms upon which the Notes are, and are to be, registered and delivered.

THE COUNTY RESERVES THE RIGHT to redeem the Notes scheduled to mature on or after November 1, 2023, prior to maturity, in whole or from time to time in part, in integral multiples of \$5,000, on February 1, 2018, or any date thereafter at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. Reference is made to the Order for complete details concerning the manner of redeeming the Bonds.

IN ADDITION TO BEING SUBJECT TO OPTIONAL REDEMPTION, the Notes issued as term notes maturing on November 1, 2023 (the "Term Notes") are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as provided in the Bond Resolution), on the following dates ("Mandatory Redemption Dates"), at a price equal to the principal amount redeemed plus accrued interest to each Mandatory Redemption Date, subject to the conditions set forth in the Bond Resolution:

TERM NOTE 2023

<u>Mandatory Redemption</u>	<u>Principal Amount</u>
November 1, 2017	\$506,000
November 1, 2018	\$516,000

November 1, 2019	\$527,000
November 1, 2020	\$537,000
November 1, 2021	\$548,000
November 1, 2022	\$579,000
November 1, 2023	\$595,978

ON OR BEFORE 30 days prior to each Mandatory Redemption Date set forth above, the Registrar shall (i) determine the principal amount of such Term Note that must be mandatorily redeemed on such Mandatory Redemption Date, after taking into account deliveries for cancellation and optional redemptions as more fully provided for below, (ii) select, by lot or other customary random method, the Term Bond or portions of the Term Note of such maturity to be mandatorily redeemed on such Mandatory Redemption Date, and (iii) give notice of such redemption as provided in the Order. The principal amount of any Term Note to be mandatorily redeemed on such Mandatory Redemption Date shall be reduced by the principal amount of such Term Note which, by the 45th day prior to such Mandatory Redemption Date, either has been purchased in the open market and delivered or tendered for cancellation by or on behalf of the County to the Registrar or optionally redeemed and which, in either case, has not previously been made the basis for a reduction under this sentence.

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

THIS NOTE IS TRANSFERABLE only upon presentation and surrender at the operations office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative, subject to the terms and conditions of the Order.

THIS NOTE IS EXCHANGEABLE at the operations office of the Registrar for Notes in the principal amount of \$100,000, or a multiple of \$5,000 greater than \$100,000, subject to the terms and conditions of the Order.

NEITHER THE COUNTY nor the Registrar shall be required to transfer or exchange any Note during the period beginning on a Record Date and ending on the next succeeding interest payment date or to transfer or exchange any Note called for

redemption during the 30-day period prior to the date fixed for redemption of such Note.

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

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

THE COUNTY has covenanted in the Order that it will at all times provide a legally qualified registrar for the Notes and will cause notice of any change of registrar to be mailed first class, postage prepaid, to each Registered Owner.

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

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

FORT BEND COUNTY, TEXAS

(SEAL)

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County Judge

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County Clerk

b. Form of Registration Certificate of Comptroller of Public Accounts

COMPTROLLER'S REGISTRATION CERTIFICATE:

REGISTER NO.

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

WITNESS MY SIGNATURE AND SEAL this

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Comptroller of Public Accounts  
of the State of Texas

(SEAL)

c. Form of Registrar's Authentication Certificate

AUTHENTICATION CERTIFICATE

It is hereby certified that this Note has been delivered pursuant to the Order described in the text of this Note, in exchange for or in replacement of a Note, Notes or a portion of a Note or Notes of a series which was originally approved by the Attorney General of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

JPMorgan Chase Bank, N.A.

By: \_\_\_\_\_

Authorized Signature

Date of Authentication:

d. Form of Assignment

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

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

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(Please insert Social Security or Taxpayer Identification Number of Transferee)  
the within Note and all rights thereunder, and hereby irrevocably constitutes and  
appoints

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attorney to transfer said Note on the books kept for registration thereof, with full power  
of substitution in the premises.

DATED: \_\_\_\_\_

Signature Guaranteed:

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Registered Owner

NOTICE: Signature(s) must be  
guaranteed by an institution which is  
a participant in the Securities Transfer  
Agent Medallion Program ("STAMP")  
or similar program.

NOTICE: The signature above must  
correspond to the name of the Registered  
Owner as shown on the face of this Note  
in every particular, without any  
alteration, enlargement or change  
whatsoever.

e. The Initial Note shall be in the form set forth in paragraphs a, b, and d of this  
Section, and the Initial Note shall be numbered IN-1.

20. Legal Opinion; CUSIP; Note Insurance. The approving opinion of Allen  
Boone Humphries Robinson LLP, Houston, Texas, and CUSIP numbers, if any, may be  
printed on the Notes, but errors or omissions in the printing of such opinion or such  
numbers shall have no effect on the validity of the Notes. If Note insurance is obtained  
by the purchaser, the Notes may bear an appropriate legend as provided by the insurer.

21. Interest and Sinking Fund; Tax Levy. The Interest and Sinking Fund is  
hereby created and the proceeds from all taxes levied, assessed and collected for and on  
account of the Notes authorized by this Order shall be deposited, as collected, in such  
Fund. While the Notes or any part of the principal thereof or interest thereon remain  
outstanding and unpaid, there is hereby levied and there shall be annually assessed and  
collected in due time, form and manner, and at the same time as other County taxes are



assessed, levied and collected, in each year, a continuing direct annual ad valorem tax, upon all taxable property in the County, sufficient to pay the interest on the Notes as the same becomes due and to provide a sinking fund of not less than two percent of the principal amount of the Notes or not less than the principal payable out of such tax, whichever is greater, and full allowance being made for funds available and allocated from other sources to pay debt service, delinquencies, costs of collection, and Paying Agent/Registrar fees, and said taxes are hereby irrevocably pledged to the payment of the interest on and principal of the Notes and to no other purpose.

To pay the interest coming due on the Notes on May 1, 2017, there is hereby appropriated from current funds on hand an amount equal to such interest on the Notes, which amount is hereby declared to be available for such purpose and such amount shall be used for no other purpose.

22. Further Proceedings. After the Notes to be initially issued have been executed, it shall be the duty of the County Judge and the County Clerk of the County and other appropriate officials and agents of the County to deliver the Notes to be initially issued and all pertinent records and proceedings to the Attorney General of Texas, for examination and approval. After the Notes to be initially issued have been approved by the Attorney General, they shall be delivered to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Notes to be initially issued, the Comptroller of Public Accounts (or the Comptroller's Note clerk or an assistant Note clerk lawfully designated in writing to act for the Comptroller) shall manually sign the Comptroller's Registration Certificate prescribed herein and the seal of said Comptroller shall be impressed, or placed in facsimile, thereon.

The County hereby declares its purpose and intent to provide and levy a tax legally sufficient to pay the principal and interest on the Notes, it having been determined that the existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax. As long as the Notes remain outstanding, all moneys on deposit in, or credited to, the Interest and Sinking Fund shall be secured by a pledge, as provided by law for cities in the State of Texas.

23. Sale; Proceeds. The sale and delivery of the Notes to JPMorgan Chase Bank, N.A. (herein referred to as the "Initial Purchaser") at a price of \$3,808,978, is hereby authorized, approved, ratified and confirmed, subject to the approving opinion as to the legality of the Notes of the Attorney General of Texas, and of Allen Boone Humphries Robinson LLP, Houston, Texas, Note counsel.

The proceeds of the Notes shall be deposited into the Construction Fund and used for the purposes described in Section 2 above and to pay costs of issuance. After the purposes for the Note proceeds have been fulfilled, any remainder shall be

transferred to the Interest and Sinking Fund, in accordance with the applicable laws and regulations, in effect at such time.

24. Investments. Moneys deposited into the Interest and Sinking or Construction Funds and any other fund or funds that the County may lawfully create may be invested or reinvested in authorized investments. All investments and any profits realized from or interest accruing on such investments shall belong to the fund from which the moneys for such investments were taken; provided, however, that in the discretion of the Commissioners Court the profits realized from and interest accruing on investments made from any fund may be transferred to the Interest and Sinking Fund.

25. Defeasance and Refunding. The County reserves the right to defease or refund the Notes in any manner provided by law.

26. Remedies in Event of Default. In addition to all of the rights and remedies provided by laws of the State of Texas, the County further covenants and agrees that in the event of default in payment of principal or interest on any of the Notes when due, or, in the event it fails to make the payments required to be made into the Interest and Sinking Fund or any other fund or defaults in the observance or performance of any other of the covenants, conditions or obligations set forth in this Order, the Registered Owners shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the County and the officials thereof to observe and perform the covenants, obligations or conditions prescribed in this Order. Any delay or omission to exercise any right or power occurring upon any default shall not impair 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.

27. Federal Income Tax Exclusion.

(a) General. The County intends that the interest on the Notes shall be excludable from gross income for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the applicable Income Tax Regulations (the "Regulations"). The County covenants and agrees not to take any action, or knowingly omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Notes to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the County covenants and agrees to comply with each requirement of this Section 27; provided, however, that the County shall not be required to comply with any particular requirement of this Section 27 if the County has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for

federal income tax purposes of interest on the Notes or if the County has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 27 will satisfy the applicable requirements of the Code and the Regulations, in which case compliance with such other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section 27.

(b) No Private Use or Payment and No Private Loan Financing. The County covenants and agrees that it will make such use of the proceeds of the Notes including interest or other investment income derived from Note proceeds, regulate the use of property financed, directly or indirectly, with such proceeds, and take such other and further action as may be required so that the Notes will not be "private activity Notes" within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, the County shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Notes are delivered, that the proceeds of the Notes will not be used in a manner that would cause the Notes to be "private activity bond" within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

(c) No Federal Guarantee. The County covenants and agrees not to take any action, or knowingly omit to take any action within its control, that, if taken or omitted, respectively, would cause the Notes to be "federally guaranteed" within the meaning of section 149(b) of the Code and the applicable Regulations thereunder, except as permitted by section 149(b)(3) of the Code and such Regulations.

(d) No Hedge Bonds. The County covenants and agrees that it has not and will not take any action, and has not knowingly omitted and will not knowingly omit to take any action, within its control, that, if taken or omitted, respectively, would cause the Notes to be "hedge bond" within the meaning of section 149(g) of the Code and the applicable Regulations thereunder.

(e) No Arbitrage. The County covenants and agrees that it will make such use of the proceeds of the Notes including interest or other investment income derived from Note proceeds, regulate investments of proceeds of the Notes, and take such other and further action as may be required so that the Notes will not be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the County shall certify, through an authorized officer, employee or agent that based upon all facts and estimates known or reasonably expected to be in existence on the date the Notes are delivered, the County will reasonably expect that the proceeds of the Notes will not be used in a manner that

would cause the Notes to be “arbitrage bonds” within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

(f) **Arbitrage Rebate.** If the County does not qualify for an exception to the requirements of Section 148(f) of the Code relating to the required rebate to the United States, the County will take all necessary steps to comply with the requirement that certain amounts earned by the County on the investment of the “gross proceeds” of the Notes (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the County will (i) maintain records regarding the investment of the gross proceeds of the Notes as may be required to calculate the amount earned on the investment of the gross proceeds of the Notes separately from records of amounts on deposit in the funds and accounts of the County allocable to other Note issue of the County or moneys which do not represent gross proceeds of any Notes of the County, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Notes which is required to be rebated to the federal government, and (iii) pay, not less often than every fifth anniversary date of the delivery of the Notes or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the County will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Notes that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if the arrangement had been at arm’s length and had the yield on the issue not been relevant to either party.

(g) **Information Reporting.** The County covenants and agrees to file or cause to be filed with the Secretary of the Treasury, not later than the 15th day of the second calendar month after the close of the calendar quarter in which the Notes are issued, an information statement concerning the Notes, all under and in accordance with section 149(e) of the Code and the applicable Regulations promulgated thereunder.

(h) **Continuing Obligation.** Notwithstanding any other provision of this Order, the County’s obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Notes.

28. **Qualified Tax-Exempt Obligations.** The County does not designate the Notes as “qualified tax-exempt obligations” for purposes of section 265(b) of the Code.

29. **Related Matters; Purchase Letter.** To satisfy in a timely manner all of the County’s obligations under this Order, the County Judge and the County Clerk of the

County and all other appropriate officers and agents of the County are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Order. Without limitation of the above, the Purchaser's letter describing the Purchaser's knowledge regarding the suitability of the Certificate for investment is hereby authorized to be executed on behalf of the County. Notwithstanding any other provision of this Order, the County Judge is authorized to make or approve such revisions, additions, and deletions to this Order and in the form of the documents approved hereby as in their judgment, and in the opinion of Bond Counsel, as may be required for the approval of the Notes by the Attorney General of Texas; provided that any such changes resulting in substantive amendments to the terms and conditions of the Notes shall be subject to prior approval of Commissioners Court.

30. Registrar. The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the County are hereby authorized to execute such agreement for and on behalf of the County.

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

32. County's Successors and Assigns. Whenever in this Order the County is named and referred to it shall be deemed to include its successors and assigns, and all covenants and agreements in this Order by or on behalf of the County, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

33. Benefits of Order Provisions. Nothing in this Order or in the Notes, expressed or implied, shall give or be construed to give any person, firm or corporation, other than the County, the Registrar and the Registered Owners, any legal or equitable right or claim under or in respect of this Order, or under any covenant, condition or provision herein contained, all the covenants, conditions and provisions contained in this Order or in the Notes being for the sole benefit of the County, the Registrar and the Registered Owners.

34. Severability Clause. If any word, phrase, clause, sentence, paragraph, section or other part of this Order, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Order and the application of such word, phrase, clause, sentence, paragraph, section or other part of this Order to any other persons or circumstances shall not be affected thereby.

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

35. Default and Remedies.

(a) *Events of Default.* That each of the following occurrences or events for the purpose of this Order is hereby declared to be an Event of Default:

(i) the failure to make payment of the principal of or interest on any of the Notes when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the County, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Notes, including, but not limited to, their prospect or ability to be repaid in accordance with this Order.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the County, or any official, officer or employee of the County in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Notes then outstanding.

36. Representative. JPMorgan Chase Bank, N.A., its successors or assigns, shall act as the representative on behalf of the Initial Purchaser and shall be the party which provides consent, directs remedies and takes all actions on behalf of the Initial Purchaser under the Notes.

EXECUTION PAGE FOLLOWS

PASSED AND APPROVED on this 3rd day of January, 2017.

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County Judge

ATTEST:

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County Clerk

(SEAL)



## CERTIFICATE FOR ORDER

THE STATE OF TEXAS           §  
  §  
COUNTY OF FORT BEND       §

I, the undersigned officer of the Commissioners Court of Fort Bend County, Texas, hereby certify as follows:

1. The Commissioners Court of Fort Bend County, Texas, convened in regular session on January 3, 2017, at the County Courthouse of the County, and the roll was called of the duly constituted officers and members of the Commissioners Court, to-wit:

Robert Hebert	County Judge
Vincent Morales	Commissioner, Precinct 1
Grady Prestage	Commissioner, Precinct 2
Andy Meyers	Commissioner, Precinct 3
James Patterson	Commissioner, Precinct 4

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

AN ORDER AUTHORIZING THE ISSUANCE OF \$3,808,978 FORT BEND COUNTY, TEXAS, TAX NOTE, SERIES 2017; SPECIFYING THE TERMS AND FEATURES OF SUCH NOTES; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SAID NOTES; RESOLVING OTHER MATTERS INCIDENT TO THE ISSUANCE, SALE PAYMENT OF THE NOTES; AUTHORIZING A PAYING AGENT/REGISTRAR AGREEMENT; AND PROVIDING FOR AN EFFECTIVE DATE

was introduced for the consideration of the Commissioners Court. It was then duly moved and seconded that the Order be adopted; and, after due discussion, the motion, carrying with it the adoption of the Order, prevailed and carried unanimously.

2. A true, full and correct copy of the aforesaid Order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that the Order has been duly recorded in the Commissioners Court's minutes of the meeting; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of the Commissioners Court as indicated therein; that each of the officers and members of the Board was duly and

sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Order would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose; that the meeting was open to the public as required by law; and that public notice of the time, place and subject of the meeting was given as required by Chapter 551, Texas Government Code.

SIGNED AND SEALED on January 3, 2017.

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County Clerk

(SEAL)