

## FEDERAL TAX CERTIFICATE

I, the undersigned officer of Fort Bend County, Texas (the "County"), make this certification for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest to be paid on the County's Tax Note, Series 2017 (the "Note"), which are being issued in the aggregate principal amount of \$3,808,978 and delivered simultaneously with the delivery of this certificate. I do hereby certify as follows in good faith on the date hereof (the "Issue Date"):

1. Responsible Officer. I am the duly chosen, qualified and acting officer of the County for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the County. I am the officer of the County charged, along with other officers of the County, with responsibility for issuing the Note.

2. Code and Regulations. I am aware of the provisions of sections 141, 148, 149 and 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and the Treasury Regulations (the "Regulations") heretofore promulgated under sections 141, 148, 149 and 150 of the Code. This certificate is being executed and delivered pursuant to sections 1.141-1 through 1.141-15, 1.148-0 through 1.148-11, 1.149(b)-1, 1.149(d)-1, 1.149(g)-1, 1.150-1 and 1.150-2 of the Regulations.

3. Definitions. The capitalized terms used in this certificate (unless otherwise defined) that are defined in the order authorizing the issuance of the Note dated January 3, 2017 (the "Order ") shall for all purposes hereof have the meanings therein specified. All such terms defined in the Code or Regulations shall for all purposes hereof have the same meanings as given to those terms in the Code and Regulations unless the context clearly requires otherwise.

4. Reasonable Expectations. The facts and estimates that are set forth in this certificate are accurate. The expectations that are set forth in this certificate are reasonable in light of such facts and estimates. There are no other facts or estimates that would materially change such expectations. In connection with this certificate, the undersigned has to the extent necessary reviewed the certifications set forth herein with other representatives of the County as to such accuracy and reasonableness. The undersigned has also relied, to the extent appropriate, on representations set forth in the certificate of JPMorgan Chase Bank, N.A. (the "Purchaser"), in its capacity as the purchaser that has purchased the Note, attached hereto as Exhibit A and the representations set forth in the certificate of FirstSouthwest, a Division of Hilltop Securities Inc., in its capacity as the financial advisor to the County (the "Financial Advisor") attached hereto as Exhibit B. The undersigned is aware of no fact, estimate or

circumstance that would create any doubt regarding the accuracy or reasonableness of all or any portion of such documents.

5. Description of Governmental Purpose. The County is issuing the Note pursuant to the Order to provide funds that will be used to finance the project more fully described in the Official Statement for the Note (the "Project"), including (a) road improvements located within the County and (b) to pay the costs of issuance of the Note.

6. Expenditure of Proceeds of the Note. The sale proceeds from the issuance of the Note will be \$3,808,978.00. Such amount represents the stated redemption price at maturity (excluding accrued interest for those Note the interest on which is paid at least once annually) of the Note. No portion of the purchase price of any of the Note is provided by the issuance of any other issue of obligations.

(a) The sale proceeds will be expended as follows:

(i) The amount of \$48,809.00 will be disbursed to pay costs of issuance of the Note.

(ii) The amount of \$3,760,169.00 will be deposited in the Project Fund and used to pay the costs of the Project. The aggregate amount of the costs of acquisition and construction of the Project is anticipated to be not less than such amount. Any costs of the Project not financed out of original or investment proceeds of the Note will be financed out of the County's available funds.

(b) Reimbursement. Other than to the extent of preliminary expenditures (i.e., architectural, engineering, surveying, soil testing, Bond issuance, and similar costs that are incurred prior to commencement of acquisition, construction, or rehabilitation of the Project, other than land acquisition, site preparation, and similar costs incident to commencement of construction), no portion of the amounts described in paragraph 6 above will be disbursed to reimburse the County for any expenditures made by the County prior to the date that is 60 days before the earlier of the date hereof or the date the County adopted a Order (the "Declaration"), if any, describing the Project, stating the maximum principal amount of obligations expected to be issued for the Project, and stating the County's reasonable expectation on that date that it would reimburse expenditures for costs of the Project with proceeds of an obligation. The Declaration, if any, is not an official intent to reimburse that was declared as a matter of course, or in an amount substantially in excess of the amount expected to be necessary for the Project. The County has not engaged in a pattern of failure to reimburse original expenditures covered by official intents. Such reimbursed portion will be treated as spent for purposes of paragraphs 11 and 15 below.

(c) No Working Capital. Except for an amount that does not exceed 5 percent of the sale proceeds of the Note (and that is directly related to capital expenditures financed by the Note), the County will only expend proceeds of the Note for (i) costs that would be chargeable to a capital account if the County's income were subject to federal income taxation and (ii) interest on the Note in an amount that does not cause the aggregate amount of interest paid on all of the Note to exceed that amount of interest on the Note that is attributable to the period that commences on the date hereof and ends on the later of (A) the date that is three years from the issue date of the Note or (B) the date that is one year after the date on which the Project is placed in service.

7. Pre-issuance Accrued Interest. The Note is dated the day of delivery; accordingly, the County will receive no amount representing accrued interest on the Note from the dated date of the Note to the date hereof.

8. Investment Proceeds. The best estimate of the County is that investment proceeds resulting from the investment of any proceeds of the Note pending expenditure of such proceeds for costs of the Project will be retained in the Construction Fund and disbursed to pay or reimburse Project costs in addition to those described in paragraph 6 above.

9. No Replacement Proceeds. Other than amounts described herein, there are no amounts that have a sufficiently direct nexus to the Note or to the governmental purposes of the Note that the amounts would have been used for such purpose if the proceeds of the Note were not used or to be used for such purpose.

(a) No Sinking Funds. Other than to the extent described herein, there is no Interest and Sinking Fund, redemption fund, reserve fund, replacement fund, or similar fund reasonably expected to be used directly or indirectly to pay principal or interest on the Note.

(b) No Pledged Funds. Other than amounts described herein, there is no amount that is directly or indirectly, other than solely by reason of the mere availability or preliminary earmarking, pledged to pay principal or interest on the Note, or to a guarantor of part or all of the Note, such that such pledge provides reasonable assurance that such amount will be available to pay principal or interest on the Note if the County encounters financial difficulty. For purposes of this certification, an amount is treated as so pledged if it is held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of the holders or the guarantor of the Note.

(c) No Other Replacement Proceeds. There are no other replacement proceeds allocable to the Note because the County reasonably expects that the term of

the Note will not be longer than is reasonably necessary for the governmental purposes of the Note. The Note would be issued to achieve a debt service savings independent of any arbitrage benefit as evidenced by the expectation that the Note reasonably would have been issued if the interest on the Note were not excludable from gross income (assuming that the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate). Furthermore, even if the Note were outstanding longer than necessary for the purpose of the Note, no replacement proceeds will arise because the County reasonably expects that no amounts will become available during the period that the Note remain outstanding longer than necessary based on the reasonable expectations of the County as to the amounts and timing of future revenues.

1. 10. Yield on the Note. For the purposes of this certificate, the yield on the Note is the discount rate that, when used in computing the present value as of the issue date of the Note, of all unconditionally payable payments of principal, interest and fees for qualified guarantees on the Note, produces an amount equal to the present value, using the same discount rate, of the aggregate issue price of the Note as of the issue date. For purposes of determining the yield on the Note, the issue price of the Note is the sum of the issue prices for each group of substantially identical Notes. For each group of substantially identical Notes, the issue price is the first price at which the Note was sold to the Purchaser. The Purchaser intends to hold the Note for investment purposes. The Note is not being offered to the public and is not being issued in exchange for property.

The yield is computed by treating the Note as retired at the stated redemption price on the date that it is redeemed by the County (a) the County has no present intention to redeem the Note prior to its stated maturity; (b) the Note is not subject to optional redemption at any time for a price less than the retirement price at final maturity plus accrued interest; (c) the Note is not issued at an issue price that exceeds the stated redemption price at maturity of Note by more than one-fourth of one percent multiplied by the product of the state redemption price at maturity of the Note and the number of complete years to the first optional redemption date for the Note; and (d) the Note does not bear interest at a rate that increases during the term of the Note.

The yield on the Note, as set forth on Exhibit B, is 2.358678 percent.

11. Project. The County has incurred or will incur within six months of the date hereof a binding obligation to a third party which is not subject to any contingencies within the control of the County or a related party pursuant to which the County is obligated to expend at least five percent of the sale proceeds of the Note on the Project. The County reasonably expects that work on or acquisition of the Project will proceed with due diligence to completion and that the proceeds of the Note will be expended on the Project with reasonable dispatch. The County reasonably expects that 85 percent of the sale proceeds of the Note will have been expended on the Project prior

to the date that is three years after the issue date. Any sale proceeds not expended prior to the date that is three years after the issue date, will be invested at a yield not "materially higher" than the yield on the Note, except as set forth in paragraph 15 below. The County reasonably expects that any amount derived from the investment of moneys received from the sale of the Note and from the investment of such investment income will not be commingled with substantial other receipts or revenues of the County and will be expended prior to the date that is three years after the issue date, or one year after receipt of such investment income, whichever is later. Any such investment proceeds not expended prior to such date will be invested at a yield not "materially higher" than the yield on the Note, except as set forth in paragraph 13 below.

12. Interest and Sinking Fund. Pursuant to the Order, the County has confirmed the Interest and Sinking Fund designated the "Interest and Sinking Fund" (i.e., the Interest and Sinking Fund). The County expects that taxes levied, assessed and collected for and on account of the Note will be sufficient each year to pay such debt service. All amounts deposited into the Interest and Sinking Fund will be depleted at least once each bond year, except for a reasonable carryover amount not in excess of the greater of the earnings on such portion of the Interest and Sinking Fund for the immediately preceding bond year or one-twelfth of the principal and interest payments on the Note for the immediately preceding bond year. Amounts held in the Bona Fide Portion of the Interest and Sinking Fund will be invested at an unrestricted yield because such amounts will be expended within 13 months of the date such amounts are received. Any amounts held in the Interest and Sinking Fund for longer than 13 months will be invested in obligations the yield on which is not in excess of the yield on the Note, except as set forth in paragraph 13 below.

13. Minor Portion. All gross proceeds will be invested in accordance with paragraphs 11 and 12 above. To the extent such amounts remain on hand following the periods set forth in paragraphs 11 and 12 above or exceed the limits set forth in paragraph 12 above, the County will invest such amounts at a restricted yield as set forth in such paragraphs; provided, however, that a portion of such amounts, not to exceed in the aggregate the lesser of \$100,000 or five percent of the sale proceeds of the Note, may be invested at a yield which is higher than the yield on the Note.

14. Issue. There are no other obligations which (a) are sold at substantially the same time as the Note (i.e., within 15 days), (b) are sold pursuant to the same plan of financing with the Note, and (c) will be paid out of substantially the same source of funds as the Note.

15. Compliance with Rebate Requirements. (a) General. The County has covenanted in the Order that it will take all necessary steps to comply with the requirement that "rebateable arbitrage earnings" on the investment of the "gross

proceeds" of the Note, within the meaning of section 148(f) of the Code be rebated to the federal government. Specifically, the County will (a) maintain records regarding the investment of the "gross proceeds" of the Note as may be required to calculate such "rebatable arbitrage earnings" separately from records of amounts on deposit in the funds and accounts of the County which are allocable to other bond issues of the County or moneys which do not represent "gross proceeds" of any Note of the County, (b) calculate at such intervals as may be required by applicable Regulations, the amount of "rebatable arbitrage earnings," if any, earned from the investment of the "gross proceeds" of the Note and (c) pay, not less often than every fifth anniversary date of the delivery of the Note and within 60 days following the final maturity of the Note, or on such other dates required or permitted by 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 Note 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.

(b) Two-Year Spending Exception. The County hereby makes the elections, if any, set forth below for purposes of the two-year spending exception from arbitrage rebate:

<u>ELECT</u>	DO NOT <u>ELECT</u>	<u>N/A</u>	
<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1. To use actual facts to apply the provisions of paragraphs (e) through (m) of section 1.148-7 of the Regulations. Section 1.148-7(f) (2) of the Regulations.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	2. To exclude earnings on a reasonably required reserve or replacement fund from the definition of "available construction proceeds" for purposes of the spending requirements. Section 1.148-7(i) (2) of the Regulations.
<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	3. To treat the portion of the Note that is not a refunding issue as two, and only two, separate issues, one of which (a) meets the definition of a construction issue and (b) is reasonably expected as of the date hereof to finance all of the construction expenditures to be financed by the Note. Section 1.148-7(j) (1) of the Regulations.

4. To pay a penalty (the "1-1/2% penalty") to the United States in lieu of the obligation to pay arbitrage rebate on available construction proceeds in the event that the Note fail to satisfy any of the semiannual spending requirements for the two-year rebate exception. Section 1.148-7(k) (1) of the Regulations.

The County reasonably expects that at least 75 percent of the "available construction proceeds" of the Note, within the meaning of section 1.148-7(i) of the Regulations, will be allocated to "construction expenditures," within the meaning of section 1.148-7(g) of the Regulations, for property owned by the County.

16. Not an Abusive Transaction.

(a) General. No action taken in connection with the issuance of the Note is or will have the effect of (a) enabling the County to exploit, other than during an allowable temporary period, the difference between tax-exempt and taxable interest rates to obtain a material financial advantage (including as a result of an investment of any portion of the gross proceeds of the Note over any period of time, notwithstanding that, in the aggregate, the gross proceeds of the Note are not invested in higher yielding investments over the term of the Note), and (b) overburdening the tax-exempt bond market by issuing more Note, issuing Note earlier, or allowing Note to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Note, based on all the facts and circumstances. Specifically, (i) the primary purpose of each transaction undertaken in connection with the issuance of the Note is a bona fide governmental purpose; (ii) each action taken in connection with the issuance of the Note would reasonably be taken to accomplish the governmental purposes of the Note if the interest on the Note were not excludable from gross income for federal income tax purposes (assuming the hypothetical taxable interest rate would be the same as the actual tax-exempt interest rate on the Note); (iii) the proceeds of the Note will not exceed by more than a minor portion the amount necessary to accomplish the governmental purposes of the Note and will in fact not be substantially in excess of the amount of proceeds allocated to expenditures for the governmental purposes of the Note.

(b) No Sinking Fund. No portion of the Note has a term that has been lengthened primarily for the purpose of creating a sinking fund or similar fund with respect to the Note.

(c) No Window. No portion of the Note has been structured with maturity dates the primary purpose of which is to make available released revenues that will

enable the County to make available revenues that may be invested to be ultimately used to pay debt service on another issue of obligations.

(d) No Sale of Conduit Loan. No portion of the gross proceeds of the Note has been or will be used to acquire, finance, or refinance any conduit loan.

17. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the gross proceeds of the Note will not be used in a manner that would cause any of the Note to be an "arbitrage bond" within the meaning of section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

18. No Private Use, Payments or Loan Financing.

(a) General. The County reasonably expects, as of the date hereof, that no action or event during the entire stated term of the Note will cause either the "private business tests" or the "private loan financing test," as such terms are defined in the Regulations, to be met.

(i) No portion of the proceeds of the Note will be used in a trade or business of a nongovernmental person. For purposes of determining use, the County will apply rules set forth in applicable Regulations and Revenue Procedures promulgated by the Internal Revenue Service, including, among others, the following rules: (A) Any activity carried on by a person other than a natural person or a state or local governmental unit will be treated as a trade or business of a nongovernmental person; (B) the use of all or any portion of the project financed by the Note is treated as the direct use of proceeds; (C) a nongovernmental person will be treated as a private business user of proceeds of the Note as a result of ownership, actual or beneficial use of the proceeds pursuant to a lease, or a management or incentive payment contract, or certain other arrangements such as a take-or-pay or other output-type contract; and (D) the private business use test is met if a nongovernmental person has special legal entitlements to use directly or indirectly the Project. The County and each developer that may use any portion of the Project during an initial development period reasonably expect on the date hereof to proceed with all reasonable speed to develop each portion of the Project and the property benefited by that portion of the Project and to transfer each such portion of the Project to a governmental person. Each such portion of the Project will in fact be transferred to a governmental person promptly after the property benefited by each such portion of the Project is developed.

(ii) The County has not taken and will not take any deliberate action that would cause or permit the use of any portion of the Project to change such that such portion will be deemed to be used in the trade or business of a nongovernmental person

for so long as any of the Note remains outstanding (or until an opinion of nationally recognized bond counsel is received to the effect that such change in use will not adversely affect the excludability from gross income for federal income tax purposes of interest payable on the Note). For this purpose any action within the control of the County is treated as a deliberate action. A deliberate action occurs on the date the County enters into a binding contract with a nongovernmental person for use of the Project that is not subject to any material contingencies.

(iii) All payments of the debt service on the Note will be paid from and secured by a generally applicable tax. For this purpose, a generally applicable tax is a tax (A) which is an enforced contribution exacted pursuant to legislative County in the exercise of the taxing power that is imposed and collected for the purpose of raising revenue to be used for governmental purposes and (B) which has a uniform tax rate that is applied to all persons of the same classification in the appropriate jurisdiction using a generally applicable manner of determination and collection. No portion of the payment of the debt service on the Note will be directly or indirectly derived from payments (whether or not to the County or any related party) in respect of property, or borrowed money, used or to be used for a private business use. Furthermore, no portion of the payment of the debt service on the Note will be directly or indirectly secured by any interest in property used or to be used for a private business use or payments in respect of property used or to be used for a private business use.

(iv) No portion of the proceeds of the Note will be directly or indirectly used to make or finance a loan to any person other than a state or local governmental unit.

(b) Dispositions of Personal Property in the Ordinary Course. The County does not reasonably expect that it will sell or otherwise dispose of personal property components of the Project financed with the Note other than in the ordinary course of an established governmental program that satisfies the following requirements:

(i) The weighted average maturity of the portion of the Note financing personal property is not greater than 120 percent of the reasonably expected actual use of such personal property for governmental purposes;

(ii) The reasonably expected fair market value of such personal property on the date of disposition will be not greater than 25 percent of its cost;

(iii) Such personal property will no longer be suitable for its governmental purposes on the date of disposition; and

(iv) The County is required to deposit amounts received from such disposition in a commingled fund with substantial tax or other governmental revenues

and the County reasonably expects to spend such amounts on governmental programs within 6 months from the date of commingling.

Furthermore, the County will not sell or otherwise dispose of all or any portion of the Project in circumstances in which the foregoing requirements are not satisfied unless it has received an opinion of nationally recognized bond counsel to the effect that such disposition will not adversely affect the treatment of interest on the Note as excludable from gross income for federal income tax purposes.

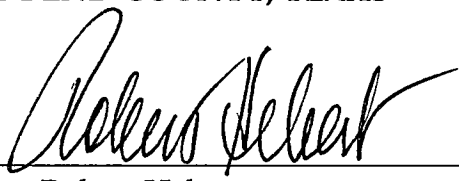
(c) Other Agreements. The County will not enter into any agreement with any nongovernmental person regarding the use of all or any portion of the Project during the stated term of the Note unless it has received in each and every case an opinion of nationally recognized bond counsel to the effect that such agreement will not adversely affect the treatment of interest on the Note as excludable from gross income for federal income tax purposes.

19. Weighted Average Maturity. The weighted average maturity of the Note is the sum of the products of the issue price of each group of identical Note and the number of years to maturity (determined separately for each group of identical Note and taking into account mandatory redemptions), divided by the aggregate sale proceeds of the Note.

20. Note is not Hedge Bond. Not more than 50 percent of the proceeds of the new money portion of the Note will be invested in nonpurpose investments (as defined in section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of section 149(g)(3)(A)(ii) of the Code, and the County reasonably expects that at least 85 percent of the spendable proceeds of the new money portion of the Note will be used to carry out the governmental purposes of the Note within the three-year period beginning on the date the Note are issued.

EXECUTION PAGE FOLLOWS

FORT BEND COUNTY, TEXAS

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

Name: Robert Hebert

Title: County Judge

Date: January 31, 2017

**EXHIBIT A**  
**CERTIFICATE OF PURCHASER**

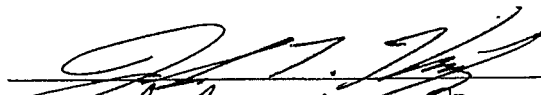
JPMorgan Chase Bank, N.A. is the Purchaser (the "Purchaser") of the Fort Bend County, Texas (the "County") Tax Note, Series 2017 in the principal amount of \$3,808,978 (the "Note"). I, the undersigned, hereby certify as follows on behalf of the Purchaser:

1. I am the duly chosen, qualified and acting officer of the Purchaser for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Purchaser. I am the officer of the Purchaser charged, with responsibility for the Note.

2. The Purchaser has purchased the Note from the County for an aggregate purchase price of \$3,808,978.00, which price includes no amount of accrued interest. The Purchaser intends to hold the Note for investment purposes and not in the capacity of bond house, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. The Note is not being offered to the public and is not being issued in exchange for property. The issue price described above does not exceed the fair market value of the Note on the sale date. For this purpose, the sale date is the first date on which there is a binding contract for the sale or exchange of the Note.

The Purchaser hereby authorizes the County to rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate to which this certificate is attached and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Note from the gross income of their owners. The Purchaser hereby authorizes Allen Boone Humphries Robinson LLP to rely on this certificate for purposes of its opinion regarding the treatment of interest on the Notes as excludable from gross income for federal income tax purposes. Capitalized terms used herein and not otherwise defined have the meaning ascribed to such terms in the Federal Tax Certificate to which this certificate is attached.

**JPMORGAN CHASE BANK, N.A.**

By:   
Title: Authorized Officer

Date: January 31, 2017

## EXHIBIT B

### CERTIFICATE OF FINANCIAL ADVISOR

I, the undersigned officer of the Financial Advisor, make this certificate for the benefit of all persons interested in the exclusion from gross income for federal income tax purposes of the interest on the Note. Each capitalized term used herein has the meaning or is the amount, as the case may be, specified for such term in the Federal Tax Certificate to which this Exhibit B is attached (the "Federal Tax Certificate"). I hereby certify as follows as of the Issue Date:

1. I am the duly chosen, qualified and acting officer of the Financial Advisor for the office shown below my signature; as such, I am familiar with the facts herein certified and I am duly authorized to execute and deliver this certificate on behalf of the Financial Advisor. I am the officer of the Financial Advisor who has worked with representatives of the County in structuring the financial terms of the Note.

2. The yield on the Note, based on the issue price (including no pre-issuance accrued interest) of \$3,808,978.00 is not less than 2.358678 percent. For purposes of this certificate, the term "yield" means that yield which is computed as described in paragraph 10 of the Federal Tax Certificate. The issue price of the Note and the bond insurance premium, if any, used in computing yield on the Note is based solely on the Issue Price Certificate of the Purchaser attached as Exhibit A to the Federal Tax Certificate.

3. The Financial Advisor computed the weighted average maturity of the Note to be 3.8622 years, as set forth in paragraph 19 of the Federal Tax Certificate.

The County may rely on the statements made herein in connection with making the representations set forth in the Certificate and in its efforts to comply with the conditions imposed by the Code on the exclusion of interest on the Note from the gross income of their owners. Allen Boone Humphries Robinson LLP also may rely on this certificate for purposes of its opinion regarding the treatment of interest on the Note as excludable from gross income for federal income tax purposes.

FIRSTSOUTHWEST, A DIVISION OF  
HILLTOP SECURITIES INC.

By: Warren P. Cash III  
Name: WARREN P. CASH III  
Title: MANAGING DIRECTOR  
Date: January 31, 2017