

FEDERAL TAX CERTIFICATE

I, the undersigned officer of the Commissioners Court of Fort Bend County, Texas (the "County"), make this certification for the benefit of all persons interested in the status of the County's Tax and Revenue Certificates of Obligation, Series 2017B (QECCB) (the "Certificates") as a Qualified Bond (as defined below). The Certificates are being issued and delivered simultaneously with the delivery of this Federal Tax Certificate (this "Federal Tax Certificate"). The purpose of this Federal Tax Certificate is to certify to the facts necessary to establish that the Certificates are Qualified Bonds. We do hereby certify as follows in good faith as of the date hereof:

1. **Definitions.** Each capitalized term used in this Federal Tax Certificate has the meaning ascribed to such term below or has the meaning or is the amount, as the case may be, specified for such term in this Federal Tax Certificate or in Exhibits to this Federal Tax Certificate and shall for all purposes hereof have the meaning or be the amount therein specified. All such terms defined in the Code or Regulations that are not defined herein 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.

"Authorizing Document" means the ordinance adopted by the County on September 26, 2017 for purposes of authorizing the issuance of the Certificates.

"Available Project Proceeds" means (a) the excess of (i) the Sale Proceeds of the Certificates over (ii) the Issuance Costs financed by the Certificates (to the extent such Issuance Costs do not exceed two percent of the Sale Proceeds of the Certificates) and (b) the proceeds from any investment of the excess described in clause (a).

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

"Debt Service Fund" means, for purposes of this Federal Tax Certificate, the fund utilized by the County to pay debt service on the Certificates.

"Expenditure Period" means the three-year period beginning on the Issue Date, as such period may be extended by the Secretary of the Treasury in accordance with Section 54A(d)(2)(B)(iii) of the Code.

"Favorable Opinion of Bond Counsel" means an opinion of nationally recognized bond counsel to the effect that an action, or omission of an action, will not adversely affect the treatment of the Certificates as a Qualified Bond.

"Gross Proceeds" means any Proceeds and any Replacement Proceeds.

"Investment Proceeds" is defined in Section 1.148-1 (b) of the Regulations and generally consists of any amounts actually or constructively received from investing Proceeds.

"Issuance Costs" means costs to the extent incurred in connection with, and allocable to, the issuance of the Certificates within the meaning of Section 147(g) of the Code. For example, Issuance Costs include the following costs, but only to the extent incurred in connection with, and allocable to, the borrowing: underwriters' spread; counsel fees; financial advisory fees; rating agency fees; trustee fees; paying agent fees; bond registrar, certification and authentication fees; accounting fees; printing costs for bonds and offering documents; public approval process costs; engineering and feasibility study costs; guarantee fees, other than qualified guarantees; and similar costs.

"Issue Date" means, with respect to the Certificates, the first date on which the County receives the purchase price in exchange for delivery of the evidence of indebtedness representing the Certificates.

"Issue Price" means the "issue price" as defined in Sections 1273 and 1274 of the Code, unless otherwise provided in Sections 1.148-0 through 1.148-11 of the Regulations and, generally, is the price that represents the first price (including original issue premium and discount and accrued interest to the Issue Date only) of the Certificates at which the Certificates were sold to the Initial Purchaser.

"Minor Portion" means that portion of the Gross Proceeds of the Certificates that does not exceed, in the aggregate, \$100,000.

"Net Proceeds" means Proceeds less any amounts invested in a "reasonably required reserve or replacement fund," as described in Section 148 of the Code.

"Pre-Issuance Accrued Interest" is defined in Section 1.148-1 (b) of the Regulations and, generally, means amounts representing interest that accrued on an obligation for a period not greater than one year before its Issue Date but only if those amounts are paid within one year after the Issue Date.

"Proceeds" is defined in Section 1.148-1 (b) of the Regulations and generally means any Sale Proceeds and Investment Proceeds.

"Project" has the meaning ascribed to it in the "Description of Governmental Purpose" paragraph of this Federal Tax Certificate.

"Project Fund" means the Project Fund created pursuant to Section 5.3 of the Authorizing Document.

"Qualified Bonds" means "qualified energy conservation bonds" that are "specified tax credit bonds" pursuant to Sections 54D and 6431 of the Code, respectively.

"Qualifying Costs" means costs for (a) capital expenditures incurred for purposes of (i) reducing energy consumption in publicly-owned buildings by at least 20 percent, (ii) implementing green community programs (including the use of loans, grants, or other repayment mechanisms to implement such programs), (iii) rural development involving the production of electricity from renewable energy resources, or (iv) any qualified facility (as determined under Section 45(d) of the Code without regard to paragraphs (8) and (10) thereof and without regard to any placed in service date); (b) expenditures with respect to research facilities, and research grants, to support research in (i) development of cellulosic ethanol or other nonfossil fuels, (ii) technologies for the capture and sequestration of carbon dioxide produced through the use of fossil fuels, (iii) increasing the efficiency of existing technologies for producing nonfossil fuels, (iv) automobile battery technologies and other technologies to reduce fossil fuel consumption in transportation, or (v) technologies to reduce energy use in buildings; (c) mass commuting facilities and related facilities that reduce the consumption of energy, including expenditures to reduce pollution from vehicles used for mass commuting; (d) demonstration projects designed to promote the commercialization of (i) green building technology, conversion of agricultural waste for use in the production of fuel or otherwise, (iii) advanced battery manufacturing technologies, (iv) technologies to reduce peak use of electricity, or (v) technologies for the capture and sequestration of carbon dioxide emitted from combusting fossil fuels in order to produce electricity; and (e) public education campaigns to promote energy efficiency.

"Regulations" means the applicable proposed, temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

"Replacement Proceeds" has the meaning set forth in Section 1.148-1(c) of the Regulations and generally consists of amounts that have a sufficiently direct nexus to the obligations or the governmental purpose of the obligations to conclude that the amounts would have been used for that governmental purpose if the Proceeds were not used or to be used for that governmental purpose.

"Sale Proceeds" is defined in Section 1.148-1 (b) of the Regulations and generally consists of any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters' discount or compensation and accrued interest other than pre-issuance accrued interest. Sale Proceeds also include amounts derived from the sale of a right that is associated with any obligation and that is described in Section 1.148-4(b)(4) of the Regulations.

"Stated Redemption Price at Maturity" means the amount fixed by the last modification of the purchase agreement and includes interest and other amounts payable at that time (other than any interest based on a fixed rate and payable unconditionally at fixed period intervals of one year or less during the entire term of the debt instrument).

"Weighted Average Maturity" has the meaning ascribed to it in the "Weighted Average Maturity" paragraph of this Federal Tax Certificate.

"Yield" of (a) an issue of bonds has the meaning set forth in Section 1.148-4 of the Regulations and, generally, is the discount rate that when used in computing the present value of all payment of principal and interest to be paid on the obligation produces an amount equal to the Issue Price of such issue and (b) any investment has the- meaning set forth in Section 1.148-5 of the Regulations and, generally, is the discount rate-that when used in computing the present value of all payment of principal and interest to be paid on the investment produces an amount equal to all payments for the investment.

2. Responsible Officer. Robert Hebert, County Judge, certifies as to all portions hereof.

3. Code and Regulations. We are aware of the provisions of Sections 54A, 54D, 148 and 6431 of the Code and the Regulations promulgated under Section 148 of the Code.

4. Reasonable Expectations. The facts and estimates that are set forth in this Federal Tax Certificate are accurate. The expectations that are set forth in this Federal Tax 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 Federal Tax Certificate, the undersigned have 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 Issue Price Certificate of JPMorgan Chase Bank, N.A., the Initial Purchaser of the Certificates (the "Initial Purchaser"), attached as Exhibit A to this Federal Tax Certificate, the certificate of FirstSouthwest, a Division of Hilltop Securities (the "Financial Advisor"), attached as Exhibit B to this Federal Tax Certificate, and the

certificate of Dale Bitting, P.E. (the "Engineer"), attached as Exhibit C to this Federal Tax Certificate. The undersigned are 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. Designations and Elections. In the Authorizing Document, the County (i) designated the Certificates as a "qualified energy conservation bond" for purposes of Section 54(D)(3) of the Code and (ii) made an irrevocable election to treat the Certificates as a "specified tax credit bond" for purposes of Section 6431(f)(3) of the Code.

6. Project Location. The Project is located within the jurisdiction of the County.

7. Receipt of Allocation. As shown on the website for the Texas Bond Review Board, a copy of which is attached as Exhibit D, the County has received an allocation of the national qualified energy conservation bond limitation (the "QECCB Allocation") for the year ending December 31, 2017, in an amount of \$4,971,999.00.

8. Description of Governmental Purpose. The County is issuing the Certificates pursuant to the Authorizing Document for the purposes of funding (a) the capital costs of the Project and (b) the costs of issuance of the Certificates. The primary purpose of each transaction undertaken in connection with the issuance of the Certificates is a bona fide governmental purpose. The Project is described as follows: to provide all or a part of the funds to pay contractual obligations to be incurred for the construction of any public work; the purchase of materials, supplies, equipment, machinery, buildings, land, and rights-of-way for authorized needs and purposes; or professional services, to-wit: (1) to acquire, construct, equip, retrofit, repair, renovate, rehabilitate and/or install equipment, machinery, and improvements (including HVAC) to enhance and improve energy efficiency of certain systems of buildings and public works of the County that constitute a "qualified conservation purpose" within the meaning of Section 54D of the Code, and (2) the cost of professional services incurred in connection therewith.

9. Amount and Expenditure of Sale Proceeds of the Certificates.

(a) Amount of Sale Proceeds. The Sale Proceeds of the Certificates is \$4,952,549, based on the amount set forth on Exhibit A hereto. The Sale Proceeds of the Certificates represent the Stated Redemption Price at Maturity of the Certificates. No portion of the purchase price of the Certificates is provided by the issuance of any other issue of governmental obligations.

(b) Expenditure of Sale Proceeds. The Sale Proceeds of the Certificates will be expended as follows:

(i) The amount of \$50,858.00 will be disbursed to pay Issuance Costs on the Certificates.

- (ii) The amount of \$4,901,691.00 will be deposited in the Project Fund and is expected to be disbursed to pay or reimburse Qualifying Costs of the Project. The aggregate amount of the Qualifying Costs 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 Certificates will be financed out of the County's available funds.
- (c) Investment Proceeds. The County expects that all of the proceeds of the Certificates will be allocated to expenditures on the date of issue of the Certificates.
- (d) Qualifying Costs. One hundred percent of the Available Project Proceeds of the Certificates will be disbursed to pay or reimburse costs that are Qualifying Costs. The amount of the Available Project Proceeds of the Certificates is reasonably expected to be \$4,901,691.00, which includes \$4,901,691.00 of Sale Proceeds and no amount of Investment Proceeds. The County reasonably expects as of the date hereof that (i) 100 percent of the Available Project Proceeds of the Certificates will be spent on Qualifying Costs of the Project within the Expenditure Period, and (ii) it has incurred a binding commitment with a third party to spend at least 10 percent of the Available Project Proceeds for the Project within the 6-month period beginning on the Issue Date. The expected percentage of energy savings resulting from the Project, as determined by the Engineer and shown on Exhibit C hereto, is at least twenty percent (20%). Further, each of the buildings listed as components of the Project on Exhibit C is publicly-owned.
- (e) Issuance Costs. No Proceeds of the Certificates will be expended for or allocated to Issuance Costs in excess of two percent of the Sale Proceeds of the Certificates. Issuance Costs to be paid out of the Proceeds of the Certificates, including underwriter's discount, if any, are not expected to exceed \$50,858.00. The Sale Proceeds of the Certificates, for purposes of the limit on Issuance Costs payable from Proceeds of the Certificates is not less than \$4,952,549.00. Thus, the Issuance Costs to be financed out of Sale Proceeds of the Certificates will not exceed in the aggregate two percent of the Sale Proceeds of the Certificates (i.e., \$99,050.98). Issuance Costs in excess of two percent of Sale Proceeds of the Certificates will be paid by the County from sources other than Proceeds of the Certificates.
- (f) Reimbursement. Other than (i) the amount of \$100,000 and (ii) preliminary expenditures (i.e., architectural, engineering, surveying, soil testing, Certificates 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) not in excess of 20 percent of the Issue Price and incurred after the date of the Declaration (defined below), no portion of the amount described in the "Amount and Expenditure of Sale Proceeds of the Certificates Expenditure of Sale Proceeds" subparagraph above will be disbursed to reimburse the County for any expenditures made by the County prior to (i) the date that the Secretary made the allocation of national qualified energy conservation bond allocation to the State of Texas, (ii) the date that the County made a declaration (the "Declaration") to reimburse such expenditure with proceeds of a qualified energy conservation bond and (iii) 60 days before the Issue Date. Such reimbursed portion will be treated as spent for purposes of the "Requirements Relating to Arbitrage - Temporary Relief from Arbitrage Restrictions" subparagraph and the "Compliance with Rebate Requirements" paragraph below.

- (g) Redemption of non-Qualified Bond. To the extent that the County fails to spend 100 percent of the Available Project Proceeds on Qualifying Costs by the close of the Expenditure Period, the County will redeem the portion of the Certificates that is not a Qualified Bond within 90 days of the end of the Expenditure Period, all in accordance with Section 54A(d)(2) of the Code.
- (h) No Sale of Conduit Loan. No portion of the Sale Proceeds of the Certificates has been or will be used to acquire, finance, or refinance any conduit loan.
- (i) No Overburdening. The Proceeds of the Certificates will not exceed by more than a Minor Portion the amount necessary to accomplish the governmental purposes of the Certificates and, in fact, are not expected to exceed by any amount the amount of Proceeds of the Certificates allocated to expenditures for the governmental purposes of the Certificates.
- (j) Allocations and Accounting. The Proceeds of the Certificates will be allocated to expenditures not later than 18 months after the later of the date of the expenditure or the date that the project is placed in service, but in no event later than the date that is the end of the Expenditure Period. The allocation of Proceeds will be made by using a reasonable, consistently applied accounting method. No Proceeds of the Certificates will be allocated to any expenditure to which Proceeds of any other obligations have heretofore been allocated. The County will

maintain records and documentation regarding the allocation of expenditures to Proceeds of the Certificates and the investment of Gross Proceeds of the Certificates for at least six years after the close of the final calendar year during which any Bond is outstanding.

- (k) Maturity Limitation; Acknowledgement of Applicable Credit Rate. As set forth in the Certificates of the Financial Advisor attached hereto as Exhibit B, the Certificates mature on September 1, 2030, which term is not longer than the maximum term (*i.e.*, 35 years) for qualified energy conservation bonds sold on October 3, 2017, as provided by the Bureau of Public Debt's website at <https://www.treasurydirect.gov>. Additionally, the applicable credit rate (the "Tax Credit Rate") is 4.21 percent for qualified energy conservation bonds sold on October 3, 2017, as provided by the Bureau of Public Debt's website at <https://www.treasurydirect.gov>. The actual interest rate on the Certificates (*i.e.*, 3.594 percent) is not higher than the Tax Credit Rate.

10. Pre-Issuance Accrued Interest. There is no Pre-Issuance Accrued Interest on the Certificates.

11. Expenditure of Investment Proceeds. All Investment Proceeds of the Certificates will be disbursed to pay or reimburse Qualifying Costs in accordance with the Authorizing Document.

12. No Replacement Proceeds.

- (a) Generally. Other than amounts described in the "Funds" paragraph, there are no amounts that have a sufficiently direct nexus to the Certificates or to the governmental purposes of the Certificates, other than solely by reason of the mere availability or preliminary earmarking, that the amounts would have been used for such purpose if the Proceeds of the Certificates were not used or to be used for such purpose.
- (b) No Sinking Funds. Other than amounts described in the "Funds" paragraph, there is no debt service 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 Certificates.
- (c) No Pledged Funds. Other than amounts described in the "Funds" paragraph, there is no amount that is directly or indirectly pledged to pay principal or interest on the Certificates, or to a guarantor of part or all of the Certificates, such that such pledge provides reasonable assurance that such amount will be available to pay principal or

interest on the Certificates 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 Certificates.

- (d) No Other Replacement Proceeds. There are no other Replacement Proceeds allocable to the Certificates because the County reasonably expects that the term of the Certificates will not be longer than is reasonably necessary for the governmental purposes of the Certificates. The Certificates would be issued to achieve the governmental purpose of the Certificates independent of any arbitrage benefit as evidenced by the expectation that the Certificates reasonably would have been issued if the Certificates did not qualify as a Qualified Bond (assuming that the hypothetical taxable interest rate for non-Qualified Bonds would be the same as the actual taxable interest rate for Qualified Bonds).
- (e) Weighted Average Economic Life. The Weighted Average Maturity of the Certificates is not greater than 120 percent of the weighted average estimated economic life of the portion of the Project financed by the Certificates, determined in accordance with Section 147(b) of the Code. Such weighted average estimated economic life is determined in accordance with the following assumptions: (i) The weighted average was determined by taking into account the respective costs of each of the assets financed by the Certificates; (ii) the reasonably expected economic life of an asset was determined as of the later of the date hereof or the date on which such asset is expected to be placed in service (i.e., available for use for the intended purposes of such asset); (iii) the economic lives used in making this determination are not greater than the reasonably expected economic useful lives of the projects financed by the Certificates allowing for normal wear and tear and assuming prudent and customary maintenance; and (iv) land or any interest therein has not been taken into account in determining the average reasonably expected economic life of such Project, unless 25 percent or more of the Net Proceeds of the Certificates is to be used to finance land.

13. Requirements Relating to Arbitrage.

- (a) Yield on the Certificates. For the purposes of this Federal Tax Certificate, the Yield on the Certificates is the discount rate that, when used in computing the present value as of the Issue Date of the Certificates of all unconditionally payable payments of principal and

interest on the Certificates, produces an amount equal to the present value, using the same discount rate, of the aggregate Issue Price of the Certificates as of the Issue Date. For purposes of determining the Yield on the Certificates, the Issue Price of the Certificates is the sum of the Issue Prices for each group of substantially identical Certificate, plus Pre-Issuance Accrued Interest. For each group of substantially identical Certificate, the Issue Price is the first price at which the Certificate were sold to the Initial Purchaser. The Initial Purchaser intends to hold the Certificate for investment purposes. The Certificates is not being offered to the public and is not being issued in exchange for property.

The Certificates is subject to optional redemption. However, the Yield with respect to the Certificates is computed by treating the Certificates as retired at the stated redemption price at the final maturity date because (a) the County has no present intention to redeem the Certificates prior to maturity; (b) the Certificates 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 Certificates is not issued at an issue price that exceeds the stated redemption price at maturity of the Certificates by more than one-fourth of one percent multiplied by the product of the stated redemption price at maturity of the Certificates and the number of complete years to the first optional redemption date for the Certificates; and (d) the Certificates does not bear interest at a rate that increases during the term of the Certificates.

As set forth in the Certificates of Financial Advisor attached to this Federal Tax Certificate as Exhibit B, the Yield on the Certificates, calculated in the manner set forth above, is 3.594506 percent.

The County has not entered into a hedging transaction with respect to the Certificates. The County will not enter into a hedging transaction with respect to the Certificates unless there is first received a Favorable Opinion of Bond Counsel.

- (b) Temporary Relief from Arbitrage Restrictions. The County may invest Available Project Proceeds at an unrestricted yield free from the requirements of Section 148 of the Code until the last day of the Expenditure Period. Any Available Project Proceeds not expended by such date will be invested at a Yield not materially higher than the Yield on the Certificates, and the County will take steps with respect to investment of such amounts in order to comply with the requirements of Section 148 of the Code and the Regulations

thereunder (which steps may include a requirement to pay to the United States any amount of earnings (actual or imputed) on investments of such amounts in order to comply with the requirement of Section 148(f) of the Code).

14. Funds.

- (a) Debt Service Fund. General. Pursuant to the Authorizing Document, the County has created, or will create, the Debt Service Fund and the proceeds from all taxes levied, assessed and collected for and on account of the Certificates are to be deposited therein.
- (b) Sinking Fund. Pursuant to the Authorizing Document, the County has created, or may create, a sinking fund (the "Sinking Fund") for the repayment of the Certificates. Taking into account earnings on amounts held therein, the Sinking Fund will be funded at a rate no faster than equal annual installments and in a manner reasonably expected to result in an amount not greater than the amount necessary to repay the Certificates. Amounts deposited into the Sinking Fund may be invested at a yield not greater than 2.02 percent (the "Permitted Sinking Fund Yield"), which is the permitted sinking fund yield provided by the Bureau of Public Debt's website at <https://www.treasurydirect.gov> as of the date the Certificates was sold. To the extent that, contrary to, and despite, the County's expectations, there come into existence (i) any amounts that inadvertently fund the Sinking Fund more rapidly than equal annual installments, or (ii) any amounts held outside the Sinking Fund that would, with respect to the Certificates, be treated as "replacement proceeds" of a type described in the "No Replacement Proceeds" paragraph, the County will hold such amount as uninvested cash until it obtains an opinion of nationally recognized bond counsel regarding steps the County must take with respect to investment of such amounts in order to comply with the requirements of Section 148 of the Code and the Regulations thereunder (which steps may include a requirement to pay to the United States any amount of earnings on investment of such amounts in order to comply with the requirements of Section 148(f) of the Code).
- (c) Project Fund. All of the proceeds of the Certificates in the Project Fund are expected to be invested and disbursed as described in the Authorizing Document and the "Requirements Relating to Arbitrage - Temporary Relief from Arbitrage Restrictions" subparagraph of this Federal Tax Certificate; therefore, all of such amounts will be invested without regard to yield restriction. Nevertheless, any such proceeds

not expended prior to the dates set forth in the "Requirements Relating to Arbitrage - Temporary Relief from Arbitrage Restrictions" subparagraph will be yield restricted to the extent set forth in such paragraph.

15. Minor Portion and Yield Reduction Payments. All Gross Proceeds will be invested in accordance with the "Requirements Relating to Arbitrage - Temporary Relief from Arbitrage Restrictions" subparagraph and the "Funds" paragraph above. To the extent such amounts remain on hand following the periods set forth in the "Requirements Relating to Arbitrage - Temporary Relief from Arbitrage Restrictions" subparagraph and the "Funds" paragraph above or exceed the limits set forth in the "Funds" paragraph above, the County will invest such amounts at a restricted Yield as set forth in such paragraphs~ provided, however, that an amount not to exceed the Minor Portion will be invested at a Yield which is higher than the Yield on the Certificates and, provided further, that the County may satisfy the yield restriction requirements by making yield reduction payments to the federal government in accordance with Section 1.148-5(c) of the Regulations.

16. Issue. There are no other obligations that (a) are sold at substantially the same time as the Certificates (i.e., less than 15 days apart), (b) are sold pursuant to the same plan of financing with the Certificates, and (c) will be paid out of substantially the same source of funds as the Certificates.

17. Compliance with Rebate Requirements. The County has covenanted in the Authorizing Document 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 Certificates be rebated to the United States. Specifically, the County will (a) maintain records regarding the investment of the Gross Proceeds of the Certificates as may be required to calculate such "rebateable 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 bonds of the County, (b) calculate at such intervals as may be required by applicable Regulations, the amount of "rebateable arbitrage earnings," if any, earned from the investment of the Gross Proceeds of the Certificates and (c) pay, not less often than every fifth anniversary date of the delivery of the Certificates and within 60 days following the final maturity of the Certificates, or on such other dates required or permitted by applicable Regulations, all amounts required to be rebated to the federal government. The County will maintain a copy of any such calculations, and all documentation necessary to produce such calculations or necessary to establish qualification for an exemption from the need to produce such calculations, for at least six years after the close of the final calendar year during which the Certificates is outstanding. 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

Certificates 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. To comply with the rebate requirements set forth herein, the County will engage a firm with expertise in rebate requirements to perform the rebate computations.

18. Not an Abusive Transaction.

- (a) General. No action taken in connection with the issuance of the Certificates will enable the County to issue more bonds, issue bonds earlier, or allow bonds to remain outstanding longer than is otherwise reasonably necessary to accomplish the governmental purposes of the Certificates. To the best of our knowledge, no actions have been taken in connection with the issuance of the Certificates other than actions that would have been taken to accomplish the governmental purposes of the Certificates if the Certificates could not have been issued as a Qualified Bond.
- (b) No Sinking Fund. No portion of the Certificates has a term that has been lengthened primarily for the purpose of creating a sinking fund or similar fund with respect to the Certificates.
- (c) No Window. No portion of the Certificates has been structured with maturity dates the primary purpose of which is to make available released revenues that will enable the County to avoid transferred proceeds or to make available revenues that may be invested to be ultimately used to pay debt service on another issue of obligations.

19. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the Gross Proceeds of the Certificates will not be used in a manner that would cause the Certificates 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.

20. No Change in Use. The County does not expect to dispose of any portion of the Project financed or refinanced with the Proceeds of the Certificates, or to change the use of the Proceeds of the Certificates while the Certificates is outstanding. Furthermore, the County does not expect and will not use the proceeds of the Certificates in any manner other than for the Project, as described in the "Description of Governmental Purpose" paragraph above.

21. Weighted Average Maturity. The Weighted Average Maturity of the Certificates set forth on Exhibit B attached to this Federal Tax Certificate is the product of

the Issue Price of the Certificates and the number of years to maturity (taking into account mandatory redemptions), divided by the aggregate Sale Proceeds of the Certificates.

22. Record Retention. The County will retain all pertinent and material records relating to the use and expenditure of the Proceeds of the Certificates until six years after the last Certificates is redeemed, or such shorter period as authorized by subsequent guidance issued by the Department of Treasury, if applicable. All records will be kept in a manner that ensures their complete access throughout the retention period. For this purpose, it is acceptable that such records are kept either as hardcopy books and records or in an electronic storage and retrieval system, provided that such electronic system includes reasonable controls and quality assurance programs that assure the ability of the County to retrieve and reproduce such books and records in the event of an examination of the Certificates by the Internal Revenue Service.

23. Registration. The Certificates will be issued in registered form.

24. Refundable Credit Procedure. The County will file, with respect to each interest payment on the Certificates, an IRS Form 8038-CP, Return for Credit Payments to Issuer of Qualified Bonds, or successor form, not later than the 45th day before the applicable interest payment date, but no earlier than the 90th day before the relevant interest payment date, all under and in accordance with Section 6431 of the Code and the applicable Regulations promulgated thereunder, and in accordance with the instructions accompanying such Form, as may be modified from time to time.

25. 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 Certificates is issued, an IRS Form 8038-TC, or successor form, all under and in accordance with Section 149(e) of the Code, the applicable Regulations promulgated thereunder, IRS Notice 2009-35, 2009-17 IRB 876 and IRS Notice 2010-35, 2010-19 IRB 660.

26. No Conflicts of Interest. The County certifies that all applicable State and local law requirements governing conflicts of interest have been and will be satisfied with respect to the Certificates. If the Secretary of the Treasury prescribes additional conflicts of interest rules, such additional rules will also be satisfied.

27. Davis-Bacon Compliance. The County has complied, since the first date on which the County determined that the Project would be financed, in whole or in part, with Proceeds of "qualified energy conservation bonds," and will, at all times hereafter until such bonds are retired, continuously comply with the requirements of the Davis-Bacon Act for all construction and remodeling contracts that have been or will be entered into by the County that are related to the Project.

[EXECUTION PAGE FOLLOWS]

EXECUTED as of this 31st day of October, 2017.

COUNTY OF FORT BEND COUNTY, TEXAS

By: _____



Robert Hebert
County Judge

Attachments:

- Exhibit A: Issue Price Certificates
- Exhibit B: Certificates of Financial Advisor
- Exhibit C: Certificates of Qualified Professional Engineer
- Exhibit D: Allocation of National Limit
- Schedule I: Qualifying Cost Estimate

Signature page to Federal Tax Certificate

EXHIBIT A

ISSUE PRICE CERTIFICATE

I, the undersigned officer of JPMorgan Chase Bank, N.A., as Initial Purchaser, make this certification for the benefit of all persons interested in the qualification of the Certificates as a Qualified Bond. 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 A is attached (the "Federal Tax Certificate"). I hereby certify as follows in good faith as of the Issue Date:

1. I am the duly chosen, qualified and acting officer of the Initial 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 Federal Tax Certificate on behalf of the Initial Purchaser. I am the officer of the Initial Purchaser charged, along with other officers of the Initial Purchaser, with responsibility for the Certificates.

2. The Initial Purchaser has purchased the Certificates from the County for an aggregate purchase price of \$4,952,549.00, which price includes no amount of accrued interest. The Initial Purchaser is the first buyer of the Certificates and is buying the Certificates as an investment for its own account with no present intention to resell the Certificates. The Certificates is not being offered to the public and is not being issued in exchange for property.

The County may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code on the qualification of the Certificates as a Qualified Bond. Allen Boone Humphries Robinson LLP also may rely on this Issue Price Certificates for purposes of its opinion regarding the qualification of the Certificates as a Qualified Bond and the preparation of the Internal Revenue Service Form 8038-TC. The Initial Purchaser makes no representation as to the legal sufficiency of the factual matters set forth herein.

[EXECUTION PAGE FOLLOWS]

EXECUTED as of this 31st day of October, 2017.

JPMORGAN CHASE BANK, N.A.

By: 

Printed Name: MATT C. HEUBACH

Title: DEPUTY TREASURER

Signature page to Issue Price Certificates

EXHIBIT B

CERTIFICATE OF FINANCIAL ADVISOR

I, the undersigned officer of FirstSouthwest, a Division of Hilltop Securities (the "Financial Advisor"), make this certificate for the benefit of all persons interested in qualification of the Certificates as a Qualified Bond. 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 Certificates.

2. The Sales Proceeds of the Certificates (any amounts actually or constructively received from the sale (or other disposition) of any obligation, including amounts used to pay underwriters' discount or compensation) totaled \$4,952,549.00.

3. The maximum term of the Bonds does not exceed 35 years.

4. The Issue Price (including Pre-Issuance Accrued Interest) of the Certificates, based on the representations set forth in Exhibit A to the Certificates to which this Exhibit is attached, is not more than \$4,952,549.00. The yield on the Certificates, based on such Issue Price is 3.594506 percent (the "Yield"). For purposes of this certificate, the term "yield" means that yield which is computed as described in the "Yield on the Certificates" paragraph of the Federal Tax Certificate. The purchase price of the Certificates used in computing yield on the Certificates is based solely on the Issue Price Certificates of the Purchaser attached as Exhibit A to the Federal Tax Certificate.

5. The Financial Advisor computed the Weighted Average Maturity of the Certificates to be 8.1619 years, as set forth in the "Weighted Average Maturity" paragraph of the Federal Tax Certificate.

6. To the best of my knowledge the statements set forth in the "Not an Abusive Transaction" paragraph of the Federal Tax Certificate are true.

The County may rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate and in its efforts to comply with the conditions imposed by the Code on the qualification of the Certificates as a Qualified Bond. Allen Boone Humphries Robinson LLP also may rely on this certificate for purposes of its opinion regarding the qualification of the Certificates as a Qualified Bond and the preparation of the Internal Revenue Service Form 8038-TC.

[EXECUTION PAGE FOLLOWS]

EXECUTED as of this 31st day of October, 2017.

**FIRSTSOUTHWEST, A DIVISION OF
HILLTOP SECURITIES**

By: Warren P. Cash III

Printed Name: WARREN P. CASH III

Title: MANAGING DIRECTOR

Signature page to Certificate of Financial Advisor

EXHIBIT C
CERTIFICATE OF QUALIFIED PROFESSIONAL ENGINEER

[SEE ATTACHED]

Qualified Professional Engineer must initial and complete one or more of the following statements:

X (1) An Investment grade energy audit based on ASHRAE Publication "Procedure for Commercial Building Audits" was performed to estimate the expected savings from planned improvements that will be financed through the qualified energy conservation load.

X (2) Qualified computer software was used for calculating commercial building energy and power cost savings that meet federal tax incentive requirements as listed by Department of Energy's Building Technology Program to estimate the expected savings from planned improvements that will be financed through the qualified energy conservation bond. The name and version of the software is: eQuest3.65.7163

X (3) Tools for calculating commercial building energy and power cost savings were used to estimate energy savings, using reasonable and consistently applied methods in accordance with industry standards per IRS Notice 2012-44.

Penalty of perjury statement to be signed by the Qualified Professional Engineer that performs field inspections and generates certification form using qualified computer software:

Under penalties of perjury, I declare that I have examined this certification, including supporting documents, and to the best of my knowledge and belief, the facts presented in support of this certification are true, correct, and complete.

Professional Engineer License # and State: TX 86471

Signature of Professional Engineer: 

Date Signed: 22 September 2017

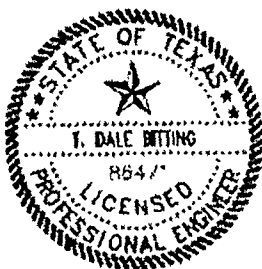


EXHIBIT D
ALLOCATION OF STATE LIMIT

[SEE ATTACHED]

	Initial Allocation	Total Available	70% portion	Maximum Amt of 30% PAB	Waived to the State	Issued	3rd Party Issued	Issuing 3rd Party
Texas Allocation	252,378,000.00	252,378,000.00	176,664,600.00	75,713,400.00				
Houston city	23,373,147	14,373,147	10,061,202.90	4,311,944.10	-	9,000,000	-	
Harris County	16,892,571	16,892,571	11,824,799.70	5,067,771.30				
San Antonio city	14,067,032	-	-	-	-	-	14,067,032	Edgewood ISD
Dallas city	13,130,436	13,130,436	9,191,305.20	3,939,130.80				
Austin city	7,865,291	7,865,291	5,505,703.70	2,359,587.30				
Fort Worth city	7,216,908	7,216,908	5,051,835.60	2,165,072.40				
Tarrant County	6,588,669	6,588,669	4,612,068.30	1,976,600.70				
El Paso city	6,424,054	6,424,054	4,496,837.80	1,927,216.20				
Hidalgo County	6,120,482	6,120,482	4,284,337.40	1,836,144.60				
Dallas County	5,223,960	5,223,960	3,656,772.00	1,567,188.00				
Fort Bend County	4,971,999	4,971,999	3,480,399.30	1,491,599.70				
Montgomery County	4,346,871	4,346,871	3,042,809.70	1,304,061.30				
Denton County	4,203,627	4,203,627	2,942,538.90	1,261,088.10				
Arlington city	3,927,364	3,927,364	2,749,154.80	1,178,209.20				
Williamson County	3,773,122	3,773,122	2,641,185.40	1,131,936.60				
Collin County	3,261,781	3,261,781	2,283,246.70	978,534.30				
Brazoria County	3,102,310	1,102,310	771,617.00	330,693.00			2,000,000	Sweeney ISD
Corpus Christi city	3,022,035	3,022,035	2,115,424.50	906,610.50				
Galveston County	2,996,367	2,996,367	2,097,456.90	898,910.10				
Indian Tribal Govt	2,935,885	2,935,885	2,055,119.50	880,765.50				
Bexar County	2,764,348	2,764,348	1,935,043.60	829,304.40				
Plano city	2,760,474	-	-	-	2,760,474	-	-	
Travis County	2,568,900	2,568,900	1,798,230.00	770,670.00				
Garland city	2,315,870	2,315,870	1,621,109.00	694,761.00				
Laredo city	2,302,258	2,302,258	1,611,580.60	690,677.40				
Lubbock city	2,300,353	2,300,353	1,610,247.10	690,105.90				
Cameron County	2,245,026	2,245,026	1,571,518.20	673,507.80				
Irving city	2,111,721	2,111,721	1,478,204.70	633,516.30				
Smith County	2,095,283	2,095,283	1,466,698.10	628,584.90				
Amarillo city	1,969,895	1,969,895	1,378,926.50	590,968.50				
Brownsville city	1,829,117	1,829,117	1,280,381.90	548,735.10				
Brazos County	1,808,773	1,808,773	1,266,141.10	542,631.90				
Bell County	1,750,081	-	-	-	1,750,081	-	-	
Grand Prairie city	1,676,865	1,676,865	1,173,805.50	503,059.50				
Johnson County	1,580,988	1,580,988	1,106,691.60	474,296.40				
Pasadena city	1,550,864	1,550,864	1,085,604.80	465,259.20				
Ellis County	1,503,857	1,503,857	1,052,699.90	451,157.10				
Hays County	1,499,083	1,499,083	1,049,358.10	449,724.90				
Jefferson County	1,405,588	1,405,588	983,911.60	421,676.40				
Mesquite city	1,394,421	-	-	-	1,394,421	-	-	
Ector County	1,369,779	1,369,779	958,845.30	410,933.70				
McAllen city	1,346,863	1,346,863	942,804.10	404,058.90				
Carrollton city	1,310,388	-	-	-	1,310,388	-	-	
El Paso County	1,302,523	-	-	-	1,302,523	-	-	
Waco city	1,293,696	1,293,696	905,587.20	388,108.80				
Grayson County	1,249,705	1,249,705	874,793.50	374,911.50				
Gregg County	1,237,067	1,237,067	865,946.90	371,120.10				
Abilene city	1,230,155	1,230,155	861,108.50	369,046.50				
McKinney city	1,223,815	1,223,815	856,670.50	367,144.50				
Denton city	1,222,608	1,222,608	855,825.60	366,782.40				
Killeen city	1,190,092	1,190,092	833,064.40	357,027.60				
Guadalupe County	1,189,361	1,189,361	832,552.70	356,808.30				
Beaumont city	1,159,872	1,159,872	811,910.40	347,961.60				
Parker County	1,147,742	1,147,742	803,419.40	344,322.60				
Tom Green County	1,128,647	1,128,647	790,052.90	338,594.10				
McLennan County	1,117,586	-	-	-	1,117,586	-	-	
Comal County	1,108,769	1,108,769	776,138.30	332,630.70				
Midland city	1,099,549	1,099,549	769,684.30	329,864.70				
Wichita Falls city	1,075,310	1,075,310	752,717.00	322,593.00				
Total	\$205,881,203	\$171,178,698	\$119,825,089	\$51,353,609	\$9,635,473	\$9,000,000	\$16,067,032	\$0
Remaining Allocation	46,496,797	72,199,302	50,539,511	21,659,791				

Waived 9,635,473 243,378,000

Available to Applicants 56,132,270 16,839,681

EXHIBIT E

**APPLICABLE CREDIT RATE, SINKING
FUND RATE, AND MATURITY LIMIT**

See Attached

[SEE ATTACHED]



Qualified Tax Credit Bond Rates

Section 54A of the Internal Revenue Code (IRC) provides rules for the issuance and use of qualified tax credit bonds including new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds. For rates on clean renewable energy bonds issued under Section 54 of the IRC, check our [CREB page](#).

Current Rate

Date	Rate	Maturity	PSFY*
Oct 3, 2017	4.21%	35 years	2.02%

SEARCH HISTORICAL QTCB RATES

From Date		
Month	Day	Year

To Date		
Month	Day	Year

*Permitted Sinking Fund Yield - The maximum permitted yield for the sinking fund expected to be used to repay the issue under section 54A(d)(4)(C) of the IRC. The permitted sinking fund yield is equal to 110% of the long-term adjusted applicable federal rate (AFR), compounded semiannually. The permitted sinking fund yield is updated monthly.

These rates will normally be published by 10:00 am ET each federal business day.

For more information on qualified tax credit bonds, call the Internal Revenue Service's Office of Associate Chief Counsel (Financial Institutions & Products) at (202) 317-6980.