

AN ORDER  
AUTHORIZING THE ISSUANCE OF  
"FORT BEND COUNTY, TEXAS,  
CERTIFICATES OF OBLIGATION, SERIES 2017A";  
AND LEVYING AN AD VALOREM TAX; PLEDGING CERTAIN  
NET REVENUES; AUTHORIZING THE EXECUTION OF A  
TRANSFER AND PAYING AGENCY AGREEMENT; AND OTHER  
MATTERS IN CONNECTION THEREWITH

RECITALS

1. The Commissioners Court (the "*Governing Body*") of Fort Bend County, Texas (the "*Issuer*"), has given notice of its intent to issue certificates of obligation (the "*Certificates*") in the maximum principal amount of \$60,000,000 for the purpose of paying contractual obligations of the Issuer to be incurred (1) for the purpose of evidencing the indebtedness of the Issuer to pay all or any part of the contractual obligations incurred for the construction of road facilities and improvements, and (2) for professional services incurred in connection therewith, and to pay for the issuance costs of the Certificates. The notice was published once a week for two consecutive weeks in a newspaper of general circulation in the Issuer, the first publication being not less than 30 days prior to the tentative date stated in the notice for the passage of this Order.

2. No petition signed by at least 5% of the qualified electors of the Issuer protesting the issuance of the Certificates has been presented to or filed with the Clerk of the Issuer prior to the date set in such notice for passage of this Order, nor has any such petition been filed as of this date.

3. The Governing Body has found and determined that \$47,550,000 in aggregate principal amount of the Certificates described in such notice should now be issued and sold, and on July 18, 2017 adopted this Order authorizing issuance of such Certificates.

4. It is in the Issuer's best interest to issue the certificate of obligations described herein.

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

ARTICLE ONE  
THE CERTIFICATES

SECTION 1.1. *Authorization and Terms; Purpose.*

A. *Authorization, Title, Principal Amount, and Purpose.* The Certificates are hereby authorized to be issued in the aggregate principal amount of \$47,550,000, and are entitled "FORT BEND COUNTY, TEXAS, CERTIFICATES OF OBLIGATION, SERIES 2017A," to pay contractual obligations incurred for road facilities and improvement and for other public purposes all as stated in Recital 1 hereto, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, Texas Local Government Code Chapter 271, subchapter C, each as now in effect. The Certificates shall have a Dated Date of August 1, 2017 (which is the "*Dated Date*" of the Certificates and to be inserted below "*Dated Date*" immediately below the title thereof).

B. *Denominations, Maturities, Rates of Interest.* The Stated Maturities of the Certificates are March 1 of the years and the aggregate principal amounts set forth below in this Subsection, and interest on the Certificates of each Stated Maturity accrues from the Delivery Date or the most recent Interest Payment Date to which interest has been paid or duly provided for, until such Certificates are paid or due provision therefor is made at or after the Maturity thereof, at the per annum rates set forth opposite such Stated Maturity below, calculated on the basis of a 360-day year of twelve 30-day months and payable semiannually on each March 1 and September 1 commencing March 1, 2018:

<b>Year of Maturity</b>	<b>Principal Amount</b>	<b>Interest Rate (%)</b>
2018	\$2,875,000	5.000%
2019	3,125,000	5.000
2020	3,285,000	5.000
2021	3,450,000	5.000
2022	3,630,000	5.000
2023	3,815,000	5.000
2024	4,010,000	5.000
2025	4,215,000	5.000
2026	4,435,000	5.000
2027	4,660,000	5.000
2028	4,900,000	5.000
2029	5,150,000	5.000

C. *Payment.* The principal and Redemption Price of the Certificates is payable upon surrender, and the interest on the Certificates is payable, at the corporate trust office of the Paying Agent in Minneapolis, Minnesota or at such other city as designated by the Issuer upon Notice to the Holders. Such place is herein referred to as the "*Place of Payment*."

The Issuer shall transfer the principal and Redemption Price of the Certificates to the Paying Agent on or prior to the date it is due.

If the specified date for any payment of principal (or Redemption Price) of or interest on the Certificates is a Saturday, Sunday, or legal holiday or equivalent other than a moratorium) for banking institutions generally in the city of the Place of Payment, such payment may be made on the next succeeding day which is not one of the foregoing days without additional interest and with the same force and effect as if made on the specified date for such payment.

D. *Payment of Interest; Interest Rights Preserved.* Interest on any Certificate is payable to the Holder thereof as of the Record Date (i) by check sent by United States Mail, first-class postage prepaid, by the Paying Agent, to the address of the Holder appearing in the Security Register, or (ii) by such other method acceptable to the Paying Agent requested in writing by the Holder at the Holder's risk and expense.

The record date ("*Record Date*") for the interest payable on the Certificates on any interest payment date means the 15<sup>th</sup> day (whether or not a business day) of the calendar month next preceding such interest payment date. In the event of a non-payment of interest on a scheduled payment date, and for 10 days thereafter, a new record date for such interest payment (a "*Special Record Date*") will be established by the Paying Agent, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest ("*Special Payment Date*," which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Holder of a Certificate appearing on the registration books of the Paying Agent at the close of business on the last business day next preceding the date of mailing of such notice. Notice of the proposed payment of such Defaulted Interest and the Special Record Date therefor having been mailed as aforesaid, such Defaulted Interest must be paid to the Persons in whose names the Certificates (or their respective Predecessor Certificates) are registered on such Special Record Date.

E. *Legal Tender.* The principal or Redemption Price of and interest on the Certificates is payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, without exchange or collection charges to the Holder.

SECTION 1.2. *Redemption.*

A. *Optional Redemption.* The Certificates are subject to redemption at the option of the Issuer prior to Stated Maturity on the Redemption Dates and Redemption Price as provided in the Form of Certificate in **Section 3.2**.

B. *Exercise of Redemption Option.* The exercise by the Issuer of its option to redeem Certificates must be evidenced by an order or resolution of the Governing Body entered into its minutes. The Issuer at least 30 days prior to each Redemption Date (unless a shorter notice shall be satisfactory to the Paying Agent) must notify the Paying Agent of such Redemption Date and of the principal amount of Certificates of each Stated Maturity to be redeemed.

C. *Selection of Certificates for Redemption.* If less than all Outstanding Certificates of a Stated Maturity are to be redeemed, then not more than 60 days prior to the Redemption Date the Paying Agent shall select the particular Certificates within such Stated Maturity to be redeemed from the Outstanding Certificates not previously called for redemption by such random method as the Paying Agent deems fair and appropriate. The method of selection may provide for the selection for redemption of portions (equal to \$5,000 or any integral multiple thereof) of the principal of Certificates of a denomination larger than \$5,000.

The Paying Agent will promptly notify the Issuer in writing of the Certificates selected for redemption and, in the case of any Certificate selected for partial redemption, the principal amount thereof to be redeemed.

For purposes of this Order, unless the context otherwise requires, all provisions relating to the redemption of Certificates relates, in the case of any Certificate redeemed only in part, to the portion of the principal of such Certificate which has been or is to be redeemed.

D. *Notice of Redemption.* The Paying Agent shall mail notice of redemption in the name and at the expense of the Issuer not less than 30 days prior to the Redemption Date to each Holder of Certificates to be redeemed, stating:

- (i) the Redemption Date,
- (ii) the Redemption Price,
- (iii) the principal amount, the identification (by title, CUSIP number, Stated Maturity, interest rate, and Dated Date) and, in the case of partial redemption, the respective principal amounts and Certificate numbers of the Certificates to be redeemed,

- (iv) that on the Redemption Date the Redemption Price of each of the Certificates to be redeemed will become due and payable and that interest thereon ceases to accrue from and after said date, and
- (v) that the Certificates to be redeemed are to be surrendered for payment of the Redemption Price at the Place of Payment, and the address of such Place of Payment.

Neither failure to give any notice to any Holder or any defect therein will affect the sufficiency of any notice given. Any notice shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. Notice having been so given, the Certificates called for redemption shall become due and payable on the specified Redemption Date, and notwithstanding that any Certificate or portion thereof has not been surrendered for payment, interest on such Certificate or portion thereof shall cease to accrue.

*E. Payment of the Redemption Price.* Upon the surrender of such Certificates for redemption in accordance with such notice, the Paying Agent shall pay such Certificates at the Redemption Price out of money supplied by the Issuer. If any Certificate called for redemption is not so paid upon surrender thereof for redemption, the same continues to bear interest from the Redemption Date at the rate borne by such Certificate.

*F. Partial Redemption.* Any Certificate which is to be redeemed only in part must be surrendered at the Place of Payment (with, if the Issuer or the Paying Agent so requires, due endorsement by, or written instrument of transfer in form satisfactory to the Issuer and the Paying Agent duly executed by, the Holder thereof or his attorney duly authorized in writing), and the Issuer shall execute and the Paying Agent shall register and deliver to the Holder of such Certificate, without service charge, a new Certificate or Certificates of the same Stated Maturity and of any authorized denomination or denominations as requested by such Holder in aggregate principal amount equal to and in exchange for the unredeemed portion of the principal of the Certificate so surrendered.

### SECTION 1.3. *Execution, Registration, Delivery, and Dating.*

The County Judge of the Issuer shall execute the Certificates on behalf of the Issuer under its seal reproduced, affixed, or impressed thereon and attested by the Clerk of the Issuer. The signature of either of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were at the time the proper officers of the Issuer bind the Issuer, notwithstanding that such individuals or either of them cease to hold such offices prior to the certification and delivery of such Certificates.

The County Judge of the Issuer is authorized and directed to execute and the Clerk of the Issuer to attest the Initial Certificates in the name of Cede & Co. The County Judge of the Issuer is further authorized and directed to submit the Initial Certificates, together with the record of the proceedings authorizing the issuance thereof and any and all other necessary orders, certificates, and records, to the Attorney General of Texas for approval. After the Attorney General has approved such Certificates, the County Judge of the Issuer shall cause such Certificates to be delivered to the Comptroller of Public Accounts of the State of Texas for registration. If requested by the Attorney General or its representatives, or if otherwise deemed necessary to properly evidence the intent of the Issuer in the adoption of this Order, the County Judge or any Commissioner of the Issuer may make such changes in the written text of this Order as such officer determines are consistent with the intent and purposes of this Order, which determination shall be final. Upon registration of the Certificates, the Comptroller is authorized and directed to deliver the Certificates in accordance with instructions of the County Judge of the Issuer. At any time thereafter the Issuer may deliver such Certificates to the Paying Agent together with definitive Certificates to be issued in exchange therefor, and the Paying Agent is directed, within not more than five business days following receipt of instructions from the payee named therein designating the Persons, Stated Maturities, and denominations to and in which such Certificates are to be transferred, register and deliver such definitive Certificates as provided in such instructions. The officers or acting officers of the Governing Body are authorized to execute and deliver on behalf of the Governing Body such certificates and instruments as may be necessary to accomplish or in furtherance of the delivery of the Certificates to and payment therefor by the Purchasers.

All Certificates registered and delivered by the Paying Agent hereunder are to be dated by the Paying Agent the date of their registration.

No Certificate is entitled to any right or benefit under this Order, or is valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in **Section 3.3**, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in **Section 3.4**, executed by the Paying Agent by manual signature, and either such certificate upon any Certificate is conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

#### SECTION 1.4.      *Registration, Transfer, and Exchange.*

The Issuer shall cause to be kept at the Place of Payment a register (herein referred to as the "*Security Register*") in which, subject to such reasonable regulations

as the Issuer or the Paying Agent may prescribe, the Paying Agent shall provide for the registration of the Certificates and of transfers of the Certificates as herein provided.

Upon surrender for transfer of any Certificate at the Place of Payment, the Issuer shall execute, and the Paying Agent shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of the same Stated Maturity, of any authorized denominations, and of a like aggregate principal amount. New Certificates registered, and delivered in an exchange or transfer will be delivered by the Paying Agent at the Place of Payment or sent by United States mail at the Holder's written request, risk, and expense.

At the option of the Holder, Certificates may be exchanged for other Certificates of the same Stated Maturity; of any authorized denominations, and of like aggregate principal amount, upon surrender of the Certificates to be exchanged at the Place of Payment. Whenever any Certificates are so surrendered for exchange, the Issuer shall execute, and the Paying Agent shall register and deliver, the Certificates which the Holder of Certificates making the exchange is entitled to receive.

All Certificates issued in any transfer or exchange of Certificates shall be delivered to the Holders at the principal corporate trust office of the Paying Agent or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Certificates surrendered in such transfer or exchange.

Every Certificate presented or surrendered for transfer or exchange must be duly endorsed, or be accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed, by the Holder thereof or his attorney duly authorized in writing.

No service charge may be made to the Holder for any registration, transfer, or exchange of Certificates, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Certificates.

Neither the Issuer nor the Paying Agent is required (1) to transfer or exchange any Certificate during a period beginning 45 days prior to a Redemption Date hereunder and ending at the close of business on the day of mailing of a notice of redemption or (2) thereafter to transfer or exchange in whole or in part any Certificate so selected for redemption.

SECTION 1.5.        *Mutilated, Destroyed, Lost, and Stolen Certificates.*

If (1) any mutilated Certificate is surrendered to the Paying Agent, or the Issuer and the Paying Agent receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (2) there is delivered to the Issuer and the Paying Agent such security or indemnity as they require to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent that such Certificate has been acquired by a bona fide purchaser, the Issuer shall execute and upon its request the Paying Agent shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

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

Upon the issuance of any new Certificate under this Section, the Issuer or the Paying Agent may require the payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in relation thereto and any other expenses connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate constitutes an original additional contractual obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Certificate is at any time enforceable by anyone, and the new Certificate is entitled to all the benefits of this Order equally and ratably with all other Outstanding Certificates.

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

SECTION 1.6.        *Persons Deemed Owners.*

The Issuer and the Paying Agent, and any agent of either, may treat the Holder as the owner of a Certificate for purposes of receiving payment of principal and Redemption Price of and (*subject to Section 1.1*) interest on the Certificate and for all other purposes whatsoever, whether or not the Certificate is due or overdue, and neither the Issuer nor the Paying Agent, or any agent of either, is affected by notice to the contrary.



SECTION 1.7. *Cancellation.*

All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent, are to be promptly canceled by it and, if surrendered to the Issuer, are to be delivered to the Paying Agent and, if not already canceled, are to promptly be canceled by the Paying Agent. The Issuer may at any time deliver to the Paying Agent for cancellation any Certificates previously certified and delivered which the Issuer acquires in any manner whatsoever, and all Certificates so delivered are to be promptly canceled by the Paying Agent. No Certificate may be certified in lieu of or in exchange for any Certificate canceled as provided in this Section, except as expressly provided by this Order. All canceled Certificates held by the Paying Agent are to be disposed of in accordance with the standard document retention policies of the Issuer.

SECTION 1.8. *Book-Entry Only.*

Notwithstanding the provisions contained in **Sections 1.3, 1.4 and 1.5** relating to the payment, redemption and transfer/exchange of the Certificates, the Issuer hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with DTC's requirements and procedures, and authorizes the Issuer and the Paying Agent to take such as actions as are necessary to qualify the Certificates with DTC and to deliver the Certificates through DTC.

Pursuant to the rules and procedures of DTC now in effect, the Certificates shall be deposited with DTC (or with the Paying Agent on behalf of DTC) who shall hold said Certificates for its participants (the "*DTC Participants*"). While the Certificates are so held, the Holder of the Certificates on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Certificate (the "*Beneficial Owners*") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Certificates or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the Issuer determines that DTC is incapable of properly discharging its duties as securities depository for the Certificates, the Issuer covenants and agrees with the Holders of the Certificates to cause Certificates to be printed in definitive form and provide for the certificated certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Certificates in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying

Agent and payment of such Certificates shall be made in accordance with the provisions of Sections 1.3, 1.4 and 1.5.

ARTICLE TWO  
DEFINITIONS AND OTHER PROVISIONS  
OF GENERAL APPLICATION

SECTION 2.1.      *Definitions.*

For all purposes of this Order, except as otherwise expressly provided or unless the context otherwise requires:

(1) The terms defined in this Section have the meanings assigned to them in this Section.

(2) All terms defined herein include the plural as well as the singular.

(3) All references in this Order to designated "*Articles*," "*Sections*," "*Exhibits*," and other subdivisions are to the designated Articles, Sections, Exhibits, and other subdivisions of this Order as originally adopted.

(4) The words "*herein*," "*hereof*," and "*hereunder*" and other words of similar import refer to this Order as a whole and not to any particular Article, Section, Exhibit, or other subdivision.

"*Certificate Fund*" means the special fund of the Issuer created and established by the provisions of **Section 4.1**.

"*Certificates*" means any obligation of the Issuer authorized to be issued by **Article One**, whether initially delivered or issued in exchange for or upon transfer or in lieu of any Predecessor Certificate.

"*Collection Date*" means, for any year, the date that annual ad valorem taxes levied by the Issuer in that year become delinquent.

"*Debt Service Requirement*" has the meaning stated in **Section 4.6**.

"*Fiscal Year*" means the annual financial accounting period for the Issuer as established by the Issuer on or prior to the date of this Order; provided, however, the Governing Body may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

"*Governing Body*" means the Commissioners Court of the Issuer.

"*Governmental Obligations*" means (1) direct obligations of (including obligations issued or held in book entry form on the books of), or obligations the timely payment of the principal of and interest on which are fully and unconditionally guaranteed by, the United States of America, (2) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Governing Body adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, or (3) noncallable obligations of a state or agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Governing Body adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, *but* in the case of each of *Clauses* (1), (2), and (3), only if such obligations may not be called for redemption prior to maturity.

"*Gross Proceeds*" means any proceeds as defined in section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in section 1.148-1(e) of the Regulations, of the Certificates.

"*Gross Revenues*" for any period means all revenue during such period in respect or on account of the operation or ownership of the System, *excluding* refundable deposits, restricted gifts, refunds for amounts advanced in aid of construction, and grants in aid of construction, but including earnings and income derived from the investment or deposit of money in any special fund or account (other than earnings on the Certificate Fund) created and established for the payment or security of the Certificates.

"*Holder*" mean the registered owner, whose name appears in the Security Register, for any Certificate.

"*Interest Payment Date*" means a date specified in the Certificates as a fixed date on which an installment of interest thereon is due and payable.

"*Issue Date*" means the date on which Certificates are first registered and delivered to the Purchasers in exchange for the purchase price therefor.

"*Issuer*" has the meaning stated in the Recitals.

"*Maintenance and Operating Expenses*" means all current expenses of operating and maintaining the System not paid from the proceeds of the Certificates, including (1) the cost of all salaries, labor, materials, interest, repairs, and extensions necessary to provide efficient service, and each proper item of expense, but only if, in the case of repairs and extensions, they are, in the judgment of the Governing Body, necessary to keep the System in operation and render adequate service to the Issuer and its residents, or respond to a physical accident or condition that would otherwise impair the Certificates or Prior Obligations or Parity Obligations.

"*Maturity*" when used with respect to any Certificate means the date on which the principal of such Certificate becomes due and payable as therein provided, whether at the Stated Maturity, by call for redemption, or otherwise.

"*Net Revenues*" for any period means the Gross Revenues less the Maintenance and Operating Expenses, but in an amount not to exceed in the aggregate \$10,000.

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

"*Order*" means this Order as finally passed and adopted by the Governing Body or as it may from time to time be supplemented, modified, or amended in accordance with the provisions hereof.

"*Outstanding*" when used with respect to Certificates means, as of the date of determination, all Certificates theretofore issued and delivered under this Order, except, without duplication:

(1) *Canceled Certificates*: Certificates theretofore canceled by the Paying Agent or delivered to the Paying Agent for cancellation;

(2) *Gross Cash Defeasance*: Certificates for whose payment or redemption money in the necessary amount has been theretofore deposited with the Paying Agent in trust for the Holder of such Certificates, provided that, if such Certificates are to be redeemed, notice of such redemption has been duly given pursuant to this Order, irrevocably provided for to the satisfaction of the Paying Agent, or waived;

(3) *Replaced Certificates*: Certificates in exchange for or in lieu of which other Certificates have been registered and delivered pursuant to this Order;

(4) *Paid Missing Certificates*: Certificates alleged to have been destroyed, lost, or stolen which have been paid as provided in **Section 1.5**; and

(5) *Net Cash Defeasance*: Certificates for the payment of the principal (or Redemption Price) of and interest on which money or Governmental Obligations or

both are held by the Paying Agent or other bank or trust company and with the effect **specifies in Section 6.1;**

*provided, however,* that in determining whether the Holders of the requisite principal amount of Certificates Outstanding have given any request, demand, authorization, direction, notice, consent, or waiver hereunder, Certificates owned by the Issuer or any other obligor upon the Certificates are disregarded and deemed not Outstanding, except that, in determining whether the Paying Agent is protected in relying upon any such request, demand, authorization, direction, notice, consent, or waiver, only Certificates which the Paying Agent knows to be so owned are required to be so disregarded.

"*Paying Agent*" means the corporation named as the "*Paying Agent*" in **Section 5.1** until a successor Paying Agent becomes such pursuant to the applicable provisions of this Order, and thereafter "*Paying Agent*" means such successor Paying Agent.

"*Person*" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

"*Place of Payment*" means a corporate trust office of the Paying Agent in the State of Texas, as established in **Section 1.1**.

"*Predecessor Certificates*" of any particular Certificate means every previous Certificate evidencing all or a portion of the same debt as that evidenced by such particular Certificate, and, for purposes of this definition, any Certificate registered and delivered under **Section 1.5** in lieu of a mutilated, lost, destroyed, or stolen Certificate is deemed to evidence the same debt as the mutilated, lost, destroyed, or stolen Certificate.

"*Parity Obligations*" means the obligations of the Issuer so defined in **Section 4.8**.

"*Prior Obligations*" means the obligations of the Issuer so defined in **Section 4.7**.

"*Purchaser*" means the initial purchaser or purchasers of the Certificates named in **Section 7.1** of this Order.

"*Redemption Date*" means the date fixed for redemption of a Certificate pursuant to the terms of this Order.

"*Redemption Price*" means the price specified in the Form of Certificate in **Section 3.2** as the price at which a Certificate may be redeemed pursuant to the terms of the Order.

"*Regular Record Date*" for the interest payable on any Interest Payment Date means the 15th day (whether or not a business day) of the calendar month next preceding such Interest Payment Date.

"*Security Register*" has the meaning stated in **Section 1.4**.

"*Stated Maturity*" when used with respect to any Certificate means the date specified in such Certificate as the fixed date on which the principal of such Certificate is due and payable.

"*Subordinate Lien Obligations*" means any bonds, notes, warrants, certificates of obligation, or any similar obligations hereafter issued by the Issuer that are payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Net Revenues, such pledge being subordinate and inferior to the lien on and pledge of Net Revenues to payment of the Certificates.

"*System*" means all of the administration of prisoner housing contracts in the Issuer's jail system, *excluding* from the foregoing, however, to the extent now or hereafter authorized or permitted by law, facilities of any kind which are declared by the Governing Body, prior to the acquisition or construction thereof by the Issuer, not to be a part of the System and which are acquired or constructed by or on behalf of the Issuer with the proceeds from the issuance of "*Special Facilities Obligations*," which are hereby defined as being special revenue obligations of the Issuer which are not payable from Net Revenues but which are payable from and secured by other liens on and pledges of any revenues, sources, or payments, not pledged to the payment of the Certificates.

## SECTION 2.2.        *Notices.*

Where this Order provides for notice to Holders of any event, such notice is sufficiently given (unless otherwise herein expressly provided) if in writing and mailed, first-class postage prepaid, to each Holder, at the address of such Holder as it appears in the Security Register. Neither the failure to mail such notice, nor any defect in any notice so mailed, to any particular Holder affects the sufficiency of such notice with respect to all other Holders. Any notice so mailed shall be conclusively presumed to have been duly given, whether or not the Holder receives such notice. Where this Order provides for notice in any manner, such notice may be waived in writing by the Person entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver is the equivalent of such notice. Waivers of notice by Holders are to be filed with the Issuer, but such filing is not a condition precedent to the validity of any action taken in reliance upon such waiver.

## SECTION 2.3.        *Effect of Headings and Table of Contents; Recitals.*

The section headings herein and in the Table of Contents are for convenience only and do not affect the construction hereof.

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

## SECTION 2.4.        *Order a Contract; Amendments.*

This Order constitutes a contract with the Holders entered into upon the initial purchase of the Certificates, is binding on the Issuer and its successors and assigns whether or not so expressed, and may not be amended or repealed by the Issuer so long as any Certificate remains Outstanding except as permitted in this Section.

The Issuer may, without the consent of or notice to any Holder, from time to time and at any time amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein or therein. In addition, the Issuer may, with the written consent of the Holders of a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of the Holders of all of the affected Outstanding Certificates, no such amendment, addition, or rescission may (1) change the Stated Maturity of the Certificates or any Interest Payment Date for an installment of interest thereon, reduce the principal amount thereof the

Redemption Price therefor, or the rate of interest thereon, change the place or places at, or the coin or currency in, which any Certificate or the interest thereon is payable, or in any other way modify the terms or sources of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, (3) modify any of the provisions of the proviso to the definition of the term "*Outstanding*," or (4) modify any of the provisions of this Section, except to increase the percentage provided hereby or to provide that certain other provisions of this Order cannot be modified or waived without the consent of the Holder of each Certificate affected thereby.

Any consent to any amendment hereof by the Holder of any Certificate binds every future Holder of the same Certificate and the Holder of every Certificate issued upon transfer or in lieu thereof or in exchange therefor, in respect of anything done or suffered to be done by the Issuer in reliance thereon, whether or not notation of such action is made upon such Certificate.

SECTION 2.5.       *Benefits of Order.*

Subject to **Section 8.3**, nothing in this Order, expressed or implied, is intended or may be construed to confer upon any Person (other than the Issuer and Holders) any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer and the Holders.

SECTION 2.6.       *Repealer.*

All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed and declared to be inapplicable to the extent of such conflict, and the provisions of this Order are controlling as to the matters prescribed herein.

SECTION 2.7.       *Governing Law.*

This Order is to be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

SECTION 2.8.       *Severability.*

If any provision of this Order or the application thereof to any Person or circumstance is held to be invalid, illegal, or unenforceable, the remainder of this Order and the application of such provision to other Persons and circumstances is nevertheless valid, legal, and enforceable and the Governing Body hereby declares



that this Order would have been enacted without such invalid provision or application.

SECTION 2.9. *Public Meeting.*

The Governing Body officially finds, determines, and declares that notice of the adoption of this Order was posted as required by law at a location within the Issuer in a place readily accessible to the general public at all times for at least 72 hours preceding the scheduled time of the meetings at which this Order is read and approved; that such meetings were open to the public; and that public notice of the time, place, and purpose of such meetings was given as required by Texas Government Code chapter 551, as amended.

SECTION 2.10. *Authority of Officers.*

The County Judge, any Commissioner, and the Clerk of the Issuer, or any of them, are authorized to evidence adoption of this Order and to do any and all things proper and necessary to carry out the intent hereof.

ARTICLE THREE  
FORMS

SECTION 3.1. *Forms Generally.*

The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be reproduced on the initial Certificates, the Registration Certificate of the Paying Agent to be reproduced on subsequently delivered Certificates, and the form of Assignment to be reproduced on each of the Certificates are to be substantially in the forms set forth in this Article with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order, and the Certificates may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of counsel or notice of insurance) thereon as may, consistently herewith, be determined by the officers executing such Certificates as evidenced by their execution thereof. Any portion of the text of any Certificates may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The Certificates may be printed, lithographed, engraved, typewritten, photocopied, or produced by any combination of these methods, or produced in any

### SECTION 3.2. *Form of Definitive Certificate.*

REGISTERED  
NO.

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

Interest Rate:      Dated Date:      Stated Maturity:      CUSIP NO:  
August 1, 2017

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

18

Registered Owner specified above or registered assigns, on the Stated Maturity specified above, the Principal Amount specified above, and to pay interest thereon to the Person herein specified from the Delivery Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after such Stated Maturity or any earlier Redemption Date, semiannually on March 1 and September 1 in each year commencing March 1, 2018, at the per annum Interest Rate specified above, computed on the basis of a 360-day year of twelve 30-day months and, except as otherwise permitted by the Order hereinafter referred to, to make the payments to the United States of America in the amounts and on the date therein described when due. Principal of this Certificate is payable at its Stated Maturity to the Registered Owner hereof, upon presentation and surrender, at the principal payment office of the Paying Agent executing the Registration Certificate of Paying Agent appearing hereon, which shall initially be Wells Fargo Bank, N.A., or its successor in its designated place of payment, initially Minneapolis, Minnesota (the "*Place of Payment*").

The interest so payable on, and paid or duly provided for on or within 10 days after, any Interest Payment Date will be paid to the Person in whose name this Certificate (or one or more Predecessor Certificates evidencing the same debt) is registered at the close of business on the Regular Record Date for such interest, which is the 15th day (whether or not a business day) of the calendar month next preceding such Interest Payment Date. Any such interest not so paid or duly provided for ceases to be payable to the Person in whose name such Certificate is registered on such Regular Record Date, and shall be paid to the Person in whose name this Certificate (or one or more Predecessor Certificates) is registered at the close of business on a Special Record Date for the payment of such Defaulted Interest to be fixed by the Paying Agent, notice whereof being sent to the Holders of the Certificates not less than five business days prior to the Special Record Date. All such interest is payable at the Place of Payment. Such interest is payable (1) by check or draft mailed to the address of the Holder as the same appears on the Security Register of the Issuer kept by the Paying Agent, as Registrar, or (2) in accordance with other customary arrangements acceptable to the Paying Agent made by the Holder. The principal or Redemption Price of this Certificate is payable at the Place of Payment upon presentation and surrender of this Certificate. All such payments must be made in such coin or currency of the United States of America as at the time of payment is legal tender for payment of public and private debts.

If the specified date for any such payment is a Saturday, Sunday, or legal holiday or equivalent (other than a moratorium) for banking institutions generally in the city in which the Place of Payment is located, such payment may be made on the next succeeding day which is not one of the foregoing days without additional

interest and with the same force and effect as if made on the specified date for such payment.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$\_\_\_\_\_ (the "*Certificates*") pursuant to an Order adopted by the governing body of the Issuer (the "*Order*"), to pay contractual obligations of the Issuer incurred for the acquisition, construction, and improvement of road facilities; and the cost of professional services incurred in connection therewith, and to pay the issuance costs of the Certificates, under and in strict conformity with the laws of the State of Texas, particularly Texas Local Government Code Chapter 271, Subchapter C.

The Certificates with a Stated Maturity on or after March 1, 2027, may be redeemed at the option of the Issuer, on notice mailed to the Holders thereof not less than 30 days prior to the Redemption Date as provided in the Order, as a whole or from time to time in part in integral multiples of \$5,000 principal on any date prior to their Stated Maturity, but not before March 1, 2026, upon payment of the Redemption Price, which is the principal amount thereof together with interest, if any, accrued from the most recent Interest Payment Date to the Redemption Date.

Certificates of a denomination larger than \$5,000 may be redeemed in part (in, and leaving unredeemed, an authorized denomination) and upon any partial redemption of any such Certificate the same must be surrendered in exchange for one or more new Certificates of the same Stated Maturity in authorized denominations for the unredeemed portion of principal. Certificates (or portions thereof) for whose redemption and payment provision is made in accordance with the Order cease to bear interest from and after the Redemption Date.

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 Certificate to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Certificates 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.

If this Certificate (or any portion of the principal sum hereof) has been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) is due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent, interest

ceases to accrue and to be payable hereon from and after the redemption date on the principal amount hereof to be redeemed.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the Issuer, within the limitations prescribed by law, and are further payable from and secured by a lien on and subordinate pledge of the Net Revenues derived from the administration of prisoner housing contracts in the Issuer's jail system (the "System") as identified and defined in the Order. In the Order, the Issuer reserves and retains the right to issue additional obligations prior and superior in right to, on a parity with, or subordinate to the Certificates with respect to the lien on Net Revenues, and the Certificates are issued subordinate to the pledge of Net Revenues to the Issuer's other outstanding Prior Obligations.

Reference is hereby made to the Order, copies of which are on file in the principal corporate trust office of the Paying Agent, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holder; the rights, duties, and obligations of the Issuer and the Paying Agent; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Order. Capitalized terms used herein have the same meanings assigned in the Order.

The Order permits, with certain exceptions as therein provided, the amendment thereof and the modification of the rights and obligations of the Issuer and the rights of the Holders of the Certificates under the Order at any time by the Issuer with the consent of the Holders of a majority in aggregate principal amount of such Certificates at the time outstanding affected by such modification. Any such consent by the Holders of this Certificate or any Predecessor Certificate herefor evidencing the same debt is conclusive and binding upon such Holder and all future Holders of this Certificate and of any Certificate issued upon the transfer or in lieu hereof or in exchange herefor, whether or not notation of such consent is made upon this Certificate.

As provided in the Order and subject to certain limitations therein set forth, this Certificate is transferable on the Security Register of the Issuer, upon surrender of this Certificate for transfer to the Paying Agent at the Place of Payment, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent duly executed by, the registered Holder hereof or its attorney

duly authorized in writing, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

The Certificates are issuable as fully registered Certificates in denominations of principal, equal to \$5,000 and any integral multiple thereof. Upon surrender of this Certificate for exchange to the Paying Agent at the Place of Payment, and subject to certain limitations set forth in the Order, one or more new fully registered Certificates of the same Stated Maturity, of designated authorized denominations, and for the same aggregate principal amount will be issued to the registered Holder of this Certificate.

No service charge may be made for any transfer or exchange hereinabove referred to, but the Issuer or the Paying Agent may require payment of a sum sufficient to cover any tax or governmental charge payable in connection therewith.

The Issuer, the Paying Agent, and any agent of either of them may treat the Person in whose name this Certificate is registered as the Holder hereof for the purpose of receiving payment as herein provided and for all other purposes, whether or not this Certificate be overdue, and none of the Issuer, the Paying Agent, and any such agent is affected by notice to the contrary.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the Issuer have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Certificates does not exceed any constitutional or statutory limitation. In case any provision in this Certificate or any application thereof is deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications is not in any way affected or impaired thereby. The terms and provisions of this Certificate and the Order are to be construed in accordance with and governed by the laws of the State of Texas.

Unless either a Registration Certificate hereon has been executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent or by the Paying Agent, respectively, by manual signature, this Certificate shall not be entitled to any benefit under the Order or be valid or obligatory for any purpose.

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

Dated:

\_\_\_\_\_

FORT BEND COUNTY, TEXAS

By: \_\_\_\_\_  
County Judge

ATTEST:

\_\_\_\_\_  
County Clerk

(COUNTY SEAL)

SECTION 3.3. Form of Registration Certificate of Comptroller of Public Accounts.

REGISTRATION CERTIFICATE  
OF COMPTROLLER OF  
PUBLIC ACCOUNTS\*

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

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

WITNESS my signature and seal of office this \_\_\_\_\_.

(SEAL)

---

Comptroller of Public Accounts  
of the State of Texas

---

**\* Note to Printer: Not to appear on printed Certificates**

SECTION 3.4. Form of Certificate of Paying Agent.

CERTIFICATE OF PAYING AGENT\*

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

WELLS FARGO BANK, N.A.,  
as Paying Agent

By: \_\_\_\_\_  
Authorized Officer

---

**\* Note to Printer: Not to appear on initial Certificates**

SECTION 3.5. Form of Assignment.

ASSIGNMENT

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

---

(Social Security or other identifying number: \_\_\_\_\_) the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Certificate on the books kept for registration thereof with full power of substitution in the premises.

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



Signature guaranteed:

\_\_\_\_\_

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

**SECTION 3.6. Form of Initial Certificate.**

The Initial Certificate shall be in the form set forth in **Section 3.2** except that the form of a single fully registered Certificate shall be modified as follows:

(i) immediately under the name of the Certificate the headings "Interest Rate \_\_\_\_\_" and "Stated Maturity \_\_\_\_\_" will be omitted;

(ii) Paragraph one will read as follows:

Fort Bend County, Texas (hereinafter together with its successors referred to as the "Issuer"), a government subdivision duly organized and existing under and by virtue of the laws of the State of Texas, for value received, hereby promises to pay, but solely to and from the extent of the sources described herein, to the Registered Owner specified above or registered assigns, the hereinabove stated the Principal Amount on March 1 in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

YEAR	PRINCIPAL INSTALLMENTS	INTEREST RATE
------	---------------------------	------------------

(Information to be inserted from schedule in **Section 1.1** hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest thereon computed on the basis of a 360-day year of twelve 30-day months to the Person herein specified from the Delivery Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, until such principal is paid or duly provided for on or after such Stated Maturity or any earlier Redemption Date, semiannually on March 1 and September 1 in each year commencing March 1, 2018, at the per annum Interest Rates specified above; computed on the basis of a 360-day year of twelve 30-day months. Principal installments of this Certificate are payable at its Stated Maturity or on a prepayment date to the Holder hereof by Wells Fargo Bank, N.A. (the "Paying Agent"), upon its presentation and surrender, at its designated offices in Minneapolis, Minnesota (the "Place of Payment").

SECTION 3.7. *Insurance Legend.*

If bond insurance is obtained by the Issuer or the Purchaser for the Certificates, the Definitive Certificates and the Initial Certificate(s) shall bear an appropriate legend as provided by the insurer.

ARTICLE FOUR  
TAXES, REVENUES, AND FUNDS;  
INVESTMENTS

SECTION 4.1. *Certificate Fund.*

To pay interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, the Issuer hereby creates and shall maintain solely for such purposes (subject to the provisions of **Section 5.5**) a special fund designated as its "CERTIFICATES OF OBLIGATION, SERIES 2017A, INTEREST AND SINKING FUND" (the "*Certificate Fund*"). The Issuer authorizes and directs its authorized officials to withdraw from the Certificate Fund and to transfer to the Paying Agent money on deposit in the Certificate Fund sufficient to pay the amount of principal or interest falling due on the Certificates. Such transfer of funds to the Paying Agent to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent on or before the last business day next preceding each Maturity or Interest Payment Date for the Certificates.

SECTION 4.2. *Deposits to Certificate Fund; Excess Certificate Proceeds.*

The Issuer, prior to a Maturity or Interest Payment Date for the Certificates, may deposit any of the Net Revenues to the Certificate Fund in accordance with **Section 4.3**. The Net Revenues, if deposited, shall be expended annually to pay principal of and interest on the Certificates as the same become due and payable. The Net Revenues so deposited shall be accounted for and transferred to the Paying Agent in accordance with the provisions of **Section 4.1** governing other money in the Certificate Fund.

The Issuer shall deposit accrued interest and premium, if any, received from the Purchaser and ad valorem taxes levied and collected to pay principal or Redemption Price of or interest on the Certificates to the Certificate Fund. In addition, the Issuer shall deposit any surplus proceeds, including investment income therefrom, from the sale of the Certificates not expended for authorized purposes to the Certificate Fund.

#### SECTION 4.3. *System Account.*

The Issuer shall keep all Gross Revenues derived from operation of the System separate and apart from all other funds, accounts, and money of the Issuer and shall deposit amounts collected into the "FORT BEND COUNTY, TEXAS JAIL SYSTEM ACCOUNT" (the "*System Account*"). The Issuer shall pledge and appropriate money in the System Account as required for the following purposes and in the order of priority shown:

First: as a first charge on and claim against the Gross Revenues to pay reasonable and proper Maintenance and Operating Expenses required by statute or orders authorizing the issuance of any indebtedness of the Issuer;

Second: to deposit amounts required in the special funds and accounts established for payment of any obligations of the Issuer with a lien on Gross Revenues or Net Revenues prior or superior to the lien granted to secure payment of the Certificates;

Third: to deposit amounts required in the special funds and accounts established for the payment of the Certificates or any additional obligations of the Issuer secured by the Net Revenues on a parity with the Certificates; and

Fourth: any Net Revenues remaining in the System Account after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, to be appropriated and used for any other Issuer purpose now or hereafter permitted by law.

#### SECTION 4.4 *Construction Accounts.*

Except as provided in **Section 4.2**, the Issuer will deposit proceeds derived from the sale of the Certificates (after paying costs of issuance) into special construction account or accounts created for the projects to be constructed with such proceeds. Pending completion of construction of the projects financed with such proceeds interest earned on the such proceeds must be accounted for, maintained, deposited, and expended as permitted by the provisions of Texas Government Code Section 1201.043, as from time to time in effect, or as otherwise required by applicable law. Thereafter, such interest must be accounted for, maintained, deposited, and expended in accordance with **Section 4.5**.

#### SECTION 4.5. *Investments and Security For Funds.*

The Issuer is required to keep all money in such funds and accounts at a depository of the Issuer except when invested pursuant to this Section. Subject to

**Section 5.6,** money in any fund established by this Order may, at the option of the Issuer, be invested in a manner permitted by the provisions of the Public Funds Investment Act, Texas Government Code chapter 2256, subchapter A, as then in effect, the Public Funds Collateral Act, Texas Government Code chapter 2257, as then in effect, or by any other law applicable to the Issuer; provided that all such investments must be made so that money required to be expended will be available at the proper time or times. The Issuer shall credit or debit all interest and income or losses from deposits and investments in any fund or account established pursuant to the provisions of this Order shall be credited to such fund or account. The Issuer shall sell investments promptly as necessary to prevent any default in connection with the Certificates.

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

#### SECTION 4.6. *Tax Levy.*

To provide for the payment of the Debt Service Requirements, which are (i) the interest on the Certificates and (ii) a sinking fund for payment of principal of the Certificates at Stated Maturity or earlier redemption or a sinking fund of 2% (whichever amount is greater), the Issuer levies and shall levy for the current year and each succeeding year thereafter while the Certificates or any interest thereon is Outstanding, a sufficient tax on each \$100 of taxable property in the Issuer, adequate to pay such amounts, full allowance being made for delinquencies and costs of collection. Such tax shall be assessed and collected each year, and the same may not be diverted to any other purpose. The Issuer shall pay the taxes so levied and collected into the Certificate Fund. The Governing Body hereby declares its purpose and intent to provide and levy such tax, it having been determined that the existing and available taxing authority of the Issuer for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

The Issuer shall determine the amount of taxes to be provided annually for the Debt Service Requirement in the following manner:

A. Prior to establishing the annual tax rate, the Governing Body shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the taxes then to be

levied and the Collection Date for the taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund (including surplus Certificate proceeds transferred to the Certificate Fund under **Section 4.2**) after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes then to be levied and (b) adding thereto the amount of the Net Revenues, if any, to be appropriated and allocated to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes then to be levied; and

(3) the amount of Net Revenues, if any, to be appropriated and to be set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The Issuer shall assess and levy annually each year a tax to pay the Debt Service Requirements sufficient to provide tax revenues in the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

#### SECTION 4.7. *Net Revenues.*

The Issuer covenants and agrees that the Net Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Certificates pursuant to Texas Local Government Code Sections 271.052(a) and 361.053 and the pledge of Net Revenues herein made for the payment of the Certificates shall constitute a lien on the Net Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the Issuer. The pledge of Net Revenues hereunder is subordinate to the prior pledge of Net Revenues to secure any of the Issuer's outstanding obligations (together with prior obligations hereafter issued pursuant to Section 4.8, the "Prior Obligations").

#### SECTION 4.8. *Issuance of Additional Obligations.*

The Issuer hereby expressly reserves the right to hereafter issue bonds, notes, warrants, certificates of obligation, or similar obligations, payable, wholly or in part, as appropriate, from and secured by a pledge of and lien on the Net Revenues of the System prior and superior in right to, on a parity with ("*Parity Obligations*"), or subordinate to the pledge of and lien on the Net Revenues in favor of the Certificates, without limitation as to principal amount, but subject to any terms,

conditions, or restrictions applicable thereto under existing orders, laws, or otherwise.

## ARTICLE FIVE COVENANTS

### SECTION 5.1. *To Maintain Agency.*

The Issuer will at all times until the Certificates are duly paid maintain an agency meeting the qualifications herein described, for the performance of the duties of the Paying Agent hereunder. US Bank National Association is hereby appointed Paying Agent for such purposes. The Issuer retains the right to replace the Paying Agent, and the Paying Agent may be removed from its duties hereunder at any time upon not less than 30 days notice with or without cause by action of the Governing Body entered in its minutes, but no such removal is effective until a successor has accepted the duties of the Paying Agent hereunder by written instrument.

Every Paying Agent appointed hereunder must at all times be a commercial bank or trust company organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least \$10,000,000, subject to supervision or examination by federal or state authority, registered as a transfer agent with the Securities and Exchange Commission. If such corporation publishes reports of condition at least annually pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. Upon any change in the Paying Agent, the County agrees to promptly cause a written notice thereof to be sent to each Holder affected by the change, which notice shall also give the address of the new Paying Agent, which shall be the designated Place of Payment.

This Section is subject to the provisions of **Section 8.2.**

The terms of the Transfer and Paying Agency Agreement with the initial Paying Agent are hereby approved in substantially the form and to the effect presented to the Governing Body on this date, and the County Judge or any Commissioner of the Issuer, or either of them, and the Clerk and any Assistant or Acting Clerk of the Issuer, or any of them, are hereby authorized to execute and deliver such Transfer and Paying Agency Agreement.

SECTION 5.2.        *To Maintain and Operate the System and Insure Property.*

The Issuer covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the System with all possible efficiency and maintain casualty and other insurance on the properties of the System and its operations of a kind and in such amounts customarily carried by counties in the State of Texas engaged in a similar type of business and that it will faithfully and punctually perform all duties with reference to the System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, are hereby pledged as security for the Certificates until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within 90 days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Order may be construed as requiring the Issuer to expend any funds which are derived from sources other than the operation of the System but nothing herein may be construed as preventing the Issuer from doing so.

SECTION 5.3.        *Rates and Charges.*

The Issuer hereby covenants and agrees that rates and charges for services afforded by the System will be established and maintained to provide Gross Revenues sufficient at all times:

- A.    to pay all Maintenance and Operating Expenses;
- B.    to produce Net Revenues sufficient (but in any event not exceeding any limit on the amount of Net Revenues pledged), together with any other lawfully available funds, to produce an amount of Net Revenues sufficient to pay the interest on and principal of the Certificates and any additional obligations of the Issuer hereafter issued on a parity therewith; and
- C.    to pay other legally incurred indebtedness payable from the Net Revenues or secured by a lien on the System or the Net Revenues thereof.

SECTION 5.4.        *Records and Accounts, Annual Audit.*

The Issuer covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the System in which complete and correct entries shall be made of all transactions relating thereto. The Holders or any duly

authorized agent or agents of the Holders may inspect the System and all properties comprising the same. The Issuer agrees that, following the close of each Fiscal Year, it will cause an audit of its books and accounts to be made by an independent firm of Certified Public Accountants.

SECTION 5.5.        *Special Covenants.*

The Issuer covenants that:

A.     *Lawful Authority:* it has the lawful power to pledge the Net Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas;

B.     *No Encumbrance:* as long as any Certificates or any interest thereon remain Outstanding, the Issuer will not sell, lease or encumber (except in the manner provided in **Section 4.8**) the System or any substantial part thereof, provided that this covenant shall not be construed to prohibit the sale of such machinery, or other properties or equipment which has become obsolete or otherwise unsuited to the efficient operation of the System; and

C.     *No Franchise:* to the extent that it legally may, the Issuer further covenants and agrees that, so long as any of the Certificates, or any interest thereon, are Outstanding, no franchise shall be granted for the installation or operation of any competing systems other than those owned by the Issuer, and the operation of any such systems by anyone other than the Issuer is hereby prohibited.

SECTION 5.6.        *Federal Income Tax Exclusion.*

A.     *General.* The Issuer intends that the interest on the Bonds 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 Issuer 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 Bonds to be includable in gross income, as defined in section 61 of the Code, for federal income tax purposes. In particular, the Issuer covenants and agrees to comply with each requirement of this Section 5.6; provided, however, that the Issuer shall not be required to comply with any particular requirement of this Section 5.6 if the Issuer 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 Bonds or if the Issuer has received a Counsel's Opinion to the effect that compliance with some other requirement set forth in this Section 5.6 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 5.6.

B. *No Private Use or Payment and No Private Loan Financing.* The Issuer 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 Bonds are delivered, that the proceeds of the Refunded Bonds have not been used, and that proceeds of the Refunded Bonds and the Bonds will not be used, in a manner that would cause the Bonds to be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder. Moreover, the Issuer covenants and agrees that it will make such use of the proceeds of the Refunded Bonds and the Bonds including interest or other investment income derived from Bond 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 Bonds will not be "private activity bonds" within the meaning of section 141 of the Code and the Regulations promulgated thereunder.

C. *No Federal Guarantee.* The Issuer 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 Bonds 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 Issuer 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 Bonds to be "hedge bonds" within the meaning of section 149(g) of the Code and the applicable Regulations thereunder.

E. *No Arbitrage.* The Issuer 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 Bonds are delivered, the Issuer will reasonably expect that the proceeds of the Bonds will not be used in a manner that would cause the Bonds to be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder. Moreover, the Issuer covenants and agrees that it will make such use of the proceeds of the Bonds including interest or other investment income derived from Bond proceeds, regulate investments of proceeds of the Bonds, and take such other and further action as may be required so that the Bonds will not be "arbitrage bonds" within the meaning of section 148(a) of the Code and the applicable Regulations promulgated thereunder.

F. *Arbitrage Rebate.* If the Issuer 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 Issuer will take all necessary steps to comply with the requirement that certain amounts earned by the Issuer on the investment of the "gross proceeds" of the Bonds (within the meaning of section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the Issuer will (i) maintain records regarding the investment of the gross proceeds of the Bonds as may be required to calculate the amount earned on the investment of the gross proceeds of the Bonds separately from records of amounts on deposit in the funds and accounts of the Issuer allocable to other bond issues of the Issuer or moneys which do not represent gross proceeds of any bonds of the Issuer, (ii) calculate at such times as are required by applicable Regulations, the amount earned from the investment of the gross proceeds of the Bonds 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 Bonds or on such other dates as may be permitted under applicable Regulations, all amounts required to be rebated to the federal government. Further, the Issuer 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 Bonds 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 Issuer 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 Bonds are issued, an information statement concerning the Bonds, 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 Ordinance, the Issuer's obligations under the covenants and provisions of this Section 5.6 shall survive the defeasance and discharge of the Bonds.

I. *Qualified Tax-Exempt Obligations.* The Issuer does not designate the Certificates as "qualified tax exempt obligations" for purposes of section 265(b) of the Code.

#### SECTION 5.7. *Remedies in Event of Default.*

In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Certificate Fund, or (b) defaults in the

observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the Issuer and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Order.

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

## ARTICLE SIX DEFEASANCE

### SECTION 6.1. *Discharge of Obligations.*

Any Certificate is deemed paid and is no longer considered to be Outstanding within the meaning of this Order when payment of the principal of and interest on such Certificate to the Stated Maturity thereof or (if notice of redemption has been duly given, irrevocably provided for, or waived as provided herein) to the Redemption Date has been made or has been provided for by deposit with the Paying Agent for such payment (or with any other bank or trust company which has agreed to hold the same for such purpose) (1) money sufficient to make such payment, (2) Governmental Obligations certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment, or (3) a combination of money and Governmental Obligations together so certified sufficient to make such payment, provided that all the expenses pertaining to the Certificates with respect to which such deposit is made have been paid or the payment thereof provided for to the satisfaction of the Paying Agent (and to such other bank or trust company).

If such deposit is made with respect to some but not all of the Certificates then Outstanding, the Issuer shall designate the Stated Maturities of Certificates with respect to which such deposit is made. If such deposit is sufficient so to provide for the payment of the principal of and interest on some but not all Outstanding Certificates of a particular Stated Maturity so designated, the Paying Agent shall select the Outstanding Certificates of such Stated Maturity with respect to which such deposit is made by such random method as the Paying Agent deems fair and appropriate and which may provide for the selection of portions (equal to and

leaving unredeemed an authorized denomination) of Certificates a denomination larger than \$5,000.

Notwithstanding anything herein to the contrary, no such deposit has the effect described in this Section (a) if made during the subsistence of a default in the payment of any Certificate unless made with respect to all of the Certificates then Outstanding or (b) unless accompanied by an opinion of counsel of recognized standing in the field of federal income taxation to the effect that neither such deposit nor the investment thereof adversely affects the excludability of interest on any Certificate from the gross income of any owner thereof for federal income tax purposes.

The Paying Agent (or other bank or trust company) with which a deposit is made of money and Governmental Obligations for such purpose shall hold the deposit in a segregated account in trust or escrow for the Holders of the Certificates with respect to which such deposit is made and, together with any investment income therefrom, the deposit may be disbursed solely to pay the principal of and interest on such Certificates when due, except that cash receipts may be withdrawn and paid to the Issuer provided the date and amount of such withdrawals are taken into account in the most recent verification of the accounting firm referred to in this Section. No money or Governmental Obligations so deposited may be invested or reinvested unless in Governmental Obligations and unless such money and Governmental Obligations not invested and such new investments are together certified by an independent public accounting firm of national reputation to be of such amounts, maturities, and interest payment dates and to bear such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom, be sufficient to make such payment.

At such times as a Certificate is deemed to be paid hereunder, as aforesaid, it is no longer entitled to the benefits of this Order, except for the purposes of any such payment from such money or Governmental Obligations and for the provisions of **Sections 1.4 and 1.5** and for the continuing compliance of the Issuer with the provisions of **Section 5.6**.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. Provided, however, the Issuer has reserved the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption at an earlier date those Certificates which have been defeased to their maturity date, if the Issuer (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption, (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm bank and financial

arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

## ARTICLE SEVEN SALE

### SECTION 7.1.      *Sale of the Certificates.*

The sale of the Certificates to RBC Capital Markets, LLC, Loop Capital Markets, LLC, and Rice Financial Products Company (collectively the "*Purchaser*") at the price of \$55,264,683.18 (representing \$47,550,000 original principal amount of the Certificates, plus a net original premium of \$7,965,901.10 and less an underwriter's discount of \$251,217.92), is hereby confirmed in accordance with the Purchase Agreement presented to the Governing Body on the date of adoption of this Order, which terms and conditions are hereby found to be the most advantageous reasonably obtainable by the Issuer. The County Judge and any Commissioner of the Issuer, or any of them, are hereby authorized and instructed to execute and deliver the Purchase Agreement substantially in such form and to such effect for and on behalf of the Governing Body and as the act and deed of the Governing Body.

The representations and warranties of the Issuer set forth in the Purchase Agreement are hereby found, determined, and declared to be true and correct, and the County Judge, any Commissioner of the Issuer, the Clerk of the Issuer, or any Assistant or Acting Clerk of the Issuer, or any of them, are hereby authorized and directed to furnish such information, execute such instruments, and take such action as is necessary to comply with the terms, conditions, and agreements specified in such Bond Purchase Agreement or to effect the issuance of the Certificates.

Delivery of the Certificates shall be made to the Purchaser as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of sale.

### SECTION 7.2.      *Payment of Costs of Issuance; Engagement of Bond Counsel.*

The Issuer has in consultation with its financial advisor, Estrada Hinojosa, Inc., set aside an amount of the proceeds of the Certificates to pay costs of issuance of the Certificates. The amount of such proceeds will be designated in a closing letter prepared by the financial advisor, and in the absence of contrary written instructions included as part of such closing letter to deposit such proceeds with the Issuer, the Paying Agent will pay such costs of issuance on behalf of the Issuer in accordance with invoices.

The Issuer hereby confirms engagement of Allen Boone Humphries Robinson LLP, as Bond Counsel ("*Bond Counsel*") for the County in accordance with the terms of the Letter of Engagement between the Issuer and Bond Counsel.

SECTION 7.3.       *Official Statement.*

The Issuer hereby approves and ratifies distribution of the Preliminary Official Statement relating to the Certificates. The Issuer further approves and authorizes distribution of the Official Statement, dated the date hereof, substantially in the form of the Preliminary Official Statement but completed and modified to reflect the terms of sale of the Certificates and such other changes as the County Judge of the Issuer shall approve. The County Judge or any Commissioner and County Clerk or any Assistant or Acting Clerk of the Issuer are authorized and directed to execute and deliver for and on behalf of the Issuer sufficient copies of such Official Statement, and, in the form and content manually executed by said officials of the Issuer, the same shall be deemed approved by this Governing Body and constitute the Official Statement duly authorized for distribution.

ARTICLE EIGHT  
CONTINUING DISCLOSURE  
UNDERTAKING

SECTION 8.1.       *Definitions.*

As used in this Article, the following terms have the meanings ascribed to such terms below:

"EMMA" means the MSRB via the Electronic Municipal Market Access system established by the MRSB.

"*Material*" shall have the meaning of such word as under federal securities laws.

"MSRB" means the Municipal Securities Rulemaking Board.

"*Rule*" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC.

"SEC" means the United States Securities and Exchange Commission.

SECTION 8.2.       *Updated Information and Data.*

The Issuer shall provide annually to EMMA within six months after the end of each fiscal year, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by this Article of this Order under Tables numbered 1 through 7 and 9 through 15 and in Appendix B. The information to be provided will include audited financial statements, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not available by the required time, the Issuer will provide unaudited financial statements at the required time and audited financial statements when and if they become available. Any financial statements so to be provided shall be prepared in accordance with the accounting principles described in Appendix B to the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation.

If the Issuer changes its fiscal year, it will notify EMMA of the change (and of the date of the new fiscal year end) prior to the next date by which the Issuer otherwise would be required to provide financial information and operating data pursuant to this Article.

The financial information and operating data to be provided pursuant to this Article may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's internet website or filed with the SEC.

All documents provided to EMMA by the Issuer pursuant to this Article shall be accompanied by identifying information as prescribed by the MSRB.

The Issuer shall notify EMMA, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with this Article by the time required by this Section.

### SECTION 8.3. *Material Event Notices.*

The Issuer shall notify EMMA, in a timely manner, not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if Material;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;

- F. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701 TEB) or other material notices or determinations with respect to the tax status of the Bonds, or other events affecting the tax status of the Bonds;
- G. Modifications to rights of holders of the Bonds, if Material;
- H. Bond calls, if Material, and tender offers;
- I. Defeasances;
- J. Release, substitution, or sale of property securing repayment of the Bonds, if Material;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the District or other obligated person within the meaning of the Rule;
- M. Consummation of a merger, consolidation, or acquisition involving the District or other obligated person within the meaning of the Rule or the sale of all or substantially all of the assets of the District or other obligated person within the meaning of the Rule, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if Material; and
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if Material.

The Issuer shall notify EMMA, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with this Article by the time required by such Section.

#### SECTION 8.4. *Limitations, Disclaimers, and Amendments.*

The Issuer shall be obligated to observe and perform the covenants specified in this Article with respect to the Issuer and the Certificates while, but only while, the Issuer remains an "*obligated person*" with respect to the Certificates within the meaning of the Rule, except that the Issuer in any event will give the notice required by **Section 8.3** of any Certificate calls and defeasance that cause the Issuer to be no longer such an "*obligated person*"

The provisions of this Article are for the sole benefit of the Holders and beneficial owners of the Certificates, and nothing in this Article, express or implied; shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Article and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the



financial results, condition, or prospects of the Issuer or hereby undertake to update any information provided in accordance with this Article or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART OF ANY COVENANT SPECIFIED IN THIS ARTICLE, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the Issuer in observing or performing its obligations under this Article shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Article is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Article may be amended by the Issuer from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law; or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Article, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a Person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The Issuer may also amend or repeal the provisions of this Article if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but in either case only to the extent that its right to do so would not prevent the Purchaser from lawfully purchasing the Certificates in the offering described herein. If the Issuer so amends the provisions of this Article, it shall include with any amended financial information or operating data next provided in accordance with **Section 8.2** an explanation, in narrative form,

of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

PASSED AND ADOPTED on July 18, 2017.

FORT BEND COUNTY, TEXAS



County Judge

ATTEST:



County Clerk

