

**Commissioners Court -February 28, 2012
NOTICE OF A MEETING OF THE
COMMISSIONERS COURT OF HAYS COUNTY, TEXAS**



This Notice is posted pursuant to the Texas Open Meetings Act. (VERNON'S TEXAS CODES ANN. GOV. CODE CH.551). The Hays County Commissioners Court will hold a meeting at **9:00 A.M.** on the **28th day of February, 2012**, in the Hays County Courthouse, Room 301, San Marcos, Texas. An Open Meeting will be held concerning the following subjects:

**CALL TO ORDER
INVOCATION**

PLEDGE OF ALLEGIANCE - Pledge of Allegiance to the American Flag & Pledge of Allegiance to the Texas Flag
ROLL CALL

PRESENTATIONS & PROCLAMATIONS

1	3	9:00 AM Presentation and Ribbon Cutting Ceremony for the new Hays County Veteran's Services Resource and Transition Center. INGALSBE/PRATHER
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PUBLIC COMMENTS

At this time **3-MINUTE** comments will be taken from the audience on Non-Agenda related topics. To address the Court, please submit a Public Participation/ Witness Form to the County Clerk. **Please Complete the Public Participation/ Witness Form in its Entirety.**
NO ACTION MAY BE TAKEN BY THE COURT DURING PUBLIC COMMENTS.

CONSENT ITEMS

The following may be acted upon in one motion.
A Commissioner, the County Judge, or a Citizen may request items be pulled for separate discussion and/or action.

2	4	Approve payments of county invoices. HERZOG
3	5-9	Approve Commissioners Court Minutes of February 21, 2012. COBB/GONZALEZ
4	10	Accept the District Clerk Fee Collection Report for November - December 2011. COBB/CRUMLEY
5	11	Authorize the Grants Administration Department, working in conjunction with the Hays County Historical Commission, to apply for foundation grant support to complete restoration of the Old Hays County Jail. COBB
6	12-13	Authorize the County Judge to execute a letter amendment to a Utility Relocation Agreement between Hays County and the City of Kyle. JONES

ACTION ITEMS

MISCELLANEOUS

7	14-83	Discussion and possible action to approve an order authorizing the issuance of one or more series of Hays County, Texas Limited Tax refunding bonds; delegating the authority to certain County Officials and County Staff to execute certain documents related to the sale of the bonds; authorizing an escrow agreement and a paying agent/registrar agreement; and other matters related thereto. COBB
8	84-90	Discussion and possible action to approve a resolution establishing the County's intention to reimburse itself for the prior expenditure of funds from the proceeds of tax-exempt obligations to be issued by the County for authorized purposes; and authorizing other matters related thereto. COBB
9	91-97	Discussion and possible action to authorize the County Judge to execute a Change Order with Angel Brothers related to improvements on RM 2325. CONLEY
10	98-123	Discussion and possible action to amend the Hays County Animal Control Ordinance. CONLEY
11	124	Discussion and possible action to appoint a fourth Board of Directors member to the West Travis County Public Utility Agency. WHISENANT

EXECUTIVE SESSIONS

The Commissioners Court will announce it will go into Executive Session, if necessary, pursuant to Chapter 551 of the Texas Government Code, to receive advice from Legal Counsel to discuss matters of land acquisition, litigation, and personnel matters as specifically listed on this agenda. The Commissioners Court may also announce it will go into Executive Session, if necessary, to receive advice from Legal Counsel regarding any other item on this agenda.

12	125	Executive Session pursuant to Sections 551.071 and 551.072 of the Texas Government Code: consultation with counsel and deliberation regarding the purchase, exchange, or value of real property related to the marketing and potential sale of County owned properties. Possible action may follow in open court. COBB
13	126	Executive Session pursuant to Sections 551.071 and 551.072 of the Texas Government Code: consultation with counsel and deliberation regarding Right of Way acquisition on Crystal Meadow Drive in Precinct 2. Possible action may follow in open Court. JONES

STANDING AGENDA ITEMS

The Commissioners Court utilizes Standing Agenda Items to address issues that are frequently or periodically discussed in court. This section allows the Court to open the item when a need for discussion arises.

14	Discussion and possible action related to the burn ban and/or disaster declaration. COBB/CHAMBERS
15	Discussion of issues related to proposed capital construction projects in Hays County, including but not limited to the Government Center; the proposed Precinct 2 office; and the Law Enforcement Center Immediate Needs Project. Possible action may follow. INGALSBE
16	Discussion of issues related to the road bond projects, including updates from Mike Weaver, Prime Strategies and Jeff Curren, HDR. Possible action may follow. COBB
17	Discussion of material relating to the Hays County Water and Sewer Authority and/or the LCRA divestiture. WHISENANT

ADJOURNMENT

Posted by 5:00 o'clock P.M. on the 24th day of February, 2012

COMMISSIONERS COURT, HAYS COUNTY, TEXAS

CLERK OF THE COURT

Hays County encourages compliance with the Americans with Disabilities Act (ADA) in the conduct of all public meetings. To that end, persons with disabilities who plan to attend this meeting and who may need auxiliary aids such as an interpreter for a person who is hearing impaired are requested to contact the Hays County Judge's Office at (512) 393-2205 as soon as the meeting is posted (72 hours before the meeting) or as soon as practical so that appropriate arrangements can be made. While it would be helpful to receive as much advance notice as possible, Hays County will make every reasonable effort to accommodate any valid request regardless of when it is received. Braille is not available.

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than 2:00 p.m. on WEDNESDAY.

Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: 9:00 AM Presentation and Ribbon Cutting Ceremony for the new Hays County Veteran's Services Resource and Transition Center.

CHECK ONE: ☐ CONSENT ☐ ACTION ☐ EXECUTIVE SESSION
 ☐ WORKSHOP ☐ PROCLAMATION ☒ PRESENTATION

PREFERRED MEETING DATE REQUESTED: February 28, 2012

AMOUNT REQUIRED: none

LINE ITEM NUMBER OF FUNDS REQUIRED: N/A

REQUESTED BY: Jude Prather

SPONSORED BY: Debbie Ingalsbe

SUMMARY: We would ask the Commissioners Court to take a short recess to go downstairs for this brief presentation and Ribbon Cutting Ceremony.

As you know, the county recently provided computer equipment for the Veteran's Services Resource and Transition Center. This Center is attempting to become a "one stop shop" for all the needs of our Hays County Veterans to address needs such as job searches, resume building, scanning Military Documents, Small Business Development and general online research.

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no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205

AGENDA ITEM: Approve payment of County invoices.

CHECK ONE: ☒ **CONSENT** ☐ **ACTION** ☐ **EXECUTIVE SESSION**
 ☐ **WORKSHOP** ☐ **PROCLAMATION** ☐ **PRESENTATION**

PREFERRED MEETING DATE REQUESTED: 2/28/12

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY: Auditor's Office

SPONSORED BY: Bill Herzog

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205

AGENDA ITEM: Approve Commissioners Court Minutes of February 21, 2012.

CHECK ONE:	<input checked="" type="checkbox"/> CONSENT	<input type="checkbox"/> ACTION	<input type="checkbox"/> EXECUTIVE SESSION
	<input type="checkbox"/> WORKSHOP	<input type="checkbox"/> PROCLAMATION	<input type="checkbox"/> PRESENTATION

PREFERRED MEETING DATE REQUESTED: 2/28/12

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY: Gonzalez

SPONSORED BY: Cobb



STATE OF TEXAS *
COUNTY OF HAYS *

ON THIS THE 21ST DAY OF FEBRUARY A.D., 2012, THE COMMISSIONERS' COURT OF HAYS COUNTY, TEXAS, MET IN REGULAR MEETING. THE FOLLOWING MEMBERS WERE PRESENT, TO-WIT:

ALBERT H. COBB JR
DEBBIE GONZALES INGALSBE
MARK JONES
WILL CONLEY
RAY O. WHISENANT JR
LIZ G. GONZALEZ

COUNTY JUDGE
COMMISSIONER, PCT. 1
COMMISSIONER, PCT. 2
COMMISSIONER, PCT. 3
COMMISSIONER, PCT. 4
COUNTY CLERK

AND THE FOLLOWING PROCEEDINGS WERE HAD, THAT IS:

Pastor David Sweet from the Hays Hills Baptist Church in Buda gave the invocation and Judge Cobb led the court in the Pledge of Allegiance to the flags. Judge Cobb called the meeting to order.

PUBLIC COMMENTS

27892 APPROVE AND CONFIRM THE APPOINTMENT OF JASON PAYNE, DEPUTY CONSTABLE, PRECINCT 5

Sandra Lopez from Constable Precinct 5 introduced Deputy Jason Payne to the Commissioners Court and Jason was given a round of applause and welcomed to Hays County. A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve and confirm the appointment of Jason Payne, Deputy Constable, Precinct 5. All voting "Aye". MOTION PASSED

27893 APPROVE PAYMENT OF COUNTY INVOICES

A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve payment of county invoices in the amount of \$1,389,361.58 as submitted by the County Auditor. All voting "Aye". MOTION PASSED

27894 APPROVE COMMISSIONER COURT MINUTES OF FEBRUARY 14, 2012

A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve the Commissioner Court minutes of February 14, 2012 as presented by the County Clerk. All voting "Aye". MOTION PASSED

27895 APPROVE UTILITY PERMITS

A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve Utility Permit #842 on Scott St. and Old Stagecoach Rd issued to City of Kyle, Permit #843 on Country Estates Dr & Mustang Lane issued to Pedernales Electric, Permit #844 on Yarrington Rd issued to Pedernales Electric and Permit #845 on Shelton Ranch Road issued to Verizon Southwest as submitted by the Road Dept. All voting "Aye". MOTION PASSED

27896 ACCEPT THE FEE SCHEDULE FOR TRAINING ACADEMY COURSES PROVIDED BY THE SHERIFF'S OFFICE

On December 6th, the Commissioner's Court authorized the Sheriff's Office to amend the operating budget for tuition and related expenses for their Training Academy. Attached is a list of courses that will be offered at the Sheriff Training Academy and a fee schedule for those courses. A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to accept the a fee schedule for Training Academy Courses provided by the Sheriff's Office. All voting "Aye". MOTION PASSED

27897 ACCEPT THE ANNUAL RACIAL PROFILE REPORT FROM THE SHERIFF'S OFFICE

In accordance with state law and specific to the Texas Code of Criminal Procedure, Chapter 2.132(b) (6) & (7), the following report has been prepared and is being respectfully submitted. The report consists of statistical data collected by the Hays County Sheriff's Office as prescribed by statute for the calendar year of 2011. A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to accept the annual racial profile report from the Sheriff's Office. All voting "Aye". MOTION PASSED



FEBRUARY 21, 2012

VOLUME U PG 791

27898 APPROVE AGREEMENT WITH SWICO AUCTIONS FOR INTERNET AUCTION OF REMOVAL OF DWELLING LOCATED AT 5458 FM 2770, KYLE, TEXAS AND AUTHORIZE COUNTY JUDGE TO EXECUTE THE AGREEMENT

A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve agreement with SWICO Auctions for the internet auction of dwelling located at 5458 FM 2770, Kyle, Texas and authorize the County Judge to execute the agreement. All voting "Aye". MOTION PASSED

27899 AUTHORIZE THE SHERIFF'S OFFICE TO USE FUNDS RECEIVED FROM UNCLAIMED EVIDENCE AUCTION TO PURCHASE SUPPLIES AND AMEND THE BUDGET ACCORDINGLY

The Sheriff's Office has received funds from PropertyRoom.com for auctioned items of unclaimed evidence. These funds will be used to purchase supplies needed for the evidence room. Amount required \$1,010.80 Budget Amendment; Increase Revenue: 001-618-00.4635 – auction sales: (\$1,010.80) Budget Expense: 001-618-00.5362 – Criminal Investigation: \$1,010.80. A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to authorize the Sheriff's Office to use funds received from unclaimed evidence auction to purchase supplies and amend the budget accordingly. All voting "Aye". MOTION PASSED

27900 APPROVE A LETTER AGREEMENT WITH LEXISNEXIS FOR LEGAL CONTENT SUBSCRIPTION SERVICES AT THE HAYS COUNTY JAIL AND AUTHORIZE HAYS COUNTY SHERIFF TO SUBMIT THE AGREEMENT

An extension to the LexisNexis monthly legal content subscription service agreement is required at this time. The rate will increase from \$700/month per terminal to \$749/ month per terminal. The Hays County Jail utilizes (1) terminal. Amount required \$749/month. A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve a Letter Agreement with LexisNexis for legal content subscription services at the Hays County Jail and authorize Hays County Sheriff to submit the agreement. All voting "Aye". MOTION PASSED

27901 RELEASE OF THE MAINTENANCE BOND AND ACCEPT FOR MAINTENANCE ALL ROAD AND DRAINAGE IMPROVEMENTS WITHIN COUNTY ROW FOR MUSTANG VALLEY SUBDIVISION, SECTION 1

The Transportation Department Jerry Borchering has inspected and gave staff recommendation for acceptance of maintenance. A motion was made by Commissioner Conley, seconded by Commissioner Whisenant to release of maintenance bond and accept for maintenance all road and drainage improvements within County ROW for Mustang Valley Subdivision, Section 1. All voting "Aye". MOTION PASSED

27902 AMEND THE HAYS COUNTY ANIMAL CONTROL ORDINANCE

Commissioner Conley Precinct 3 and Judge Cobb spoke of the Hays County Animal Control Ordinance. Erin Pate - Wimberley Resident, Walley Kinney - Dripping Springs resident, Mike Rybarski - Wimberley resident, Elizabeth Cumberland - Martindale Resident, Justice of the Peace Precinct 3 Andrew Cable and Larry Tucker - Austin resident made public comments. Special Counsel Mark Kennedy presented proposed changes to the County Policy during Court. The provisions of the Fourth Amended Hays County Animal Control Ordinance, which were adopted on or about the 18th day of March, 2003 as Ordinance Number 20893. Section 10.1, entitled "Dogs That Attack Domestic Animals" is hereby repealed and replace with the following: Section 10.1- Dogs that Attack Domestic Animals. Section 10.3, entitled "Criminal Penalty" is hereby repealed and replaced with the following: (a) The owner of a dog or coyote who permits the animal to run at large in violation of this Order Commits an offense punishable by a fine not to exceed one hundred dollars. (b) Each time a dog or coyote runs at large in violation of this section constitutes a separate offense. The proposed changes are for Section 10.4 shall be added and shall read as follows: Section 10.4- Dangerous Dog related to Attacks on Animals. A motion was made by Commissioner Conley, seconded by Commissioner Ingalsbe to suspend Section 10.1D of the Hays County Animal Control Ordinance for one week and to instruct Animal Control to confiscate and shelter, over the next seven days, any dog that would normally be killed under Section 10.1D. All voting "Aye". MOTION PASSED



27903 AUTHORIZE THE COUNTY JUDGE TO EXECUTE A CONTRACT BETWEEN THE HAYS COUNTY PERSONAL HEALTH DEPARTMENT (PHD) AND SENDERO HEALTH PLAN (A MEDICAID PROGRAM).

Administrative Assistant II Glenda Walton, Marla Sanders RN from the Hays County Personal Health Department and Tierra Thomas from Sendero Health Plan spoke on this contract will allow the PHD to provide Maternity, Well Child, and Immunization Services to Sendero Health Plan clients, and bill for those services. This contract will take effect of March 1, 2012. A motion was made by Commissioner Ingalsbe seconded by Commissioner Jones to authorize the County Judge to execute a contract between the Hays County Personal Health Department (PHD) and Sendero Health Plan (a Medicaid program) with provisions to the 24 hour coverage and limitability sections of the contract. All voting "Aye". MOTION PASSED

27904 ADOPT A RESOLUTION AUTHORIZING THE COUNTY JUDGE TO SUBMIT A GRANT APPLICATION TO THE OFFICE OF THE GOVERNOR - CRIMINAL JUSTICE DIVISION (CJD) FOR THE HAYS COUNTY SHERIFF'S OFFICE IN THE AMOUNTY OF \$28,970.15

Captain Mike Davenport and Grants Director Jeff Hauff spoke. The Sheriff's Office is requesting grant funding to purchase equipment for the Jail booking area (three Laptops), the Narcotics Task Force (one FLIR Bi-Ocular Thermal Camera) and the Criminal Investigation Division (one Electronic Video Recording System). The FLIR Bi-Ocular Thermal Camera which will provide recorded footage, photographs and/or videotape of criminal activity during an undercover investigation when limited or no lighting is available. The Jail booking area has three computers for the all law enforcement officers to use to enter arrest reports. When there are several officers needing access to a computer they often have to wait sometimes up to 45 minutes to an hour depending on how many arrest reports an officer may have to enter. The laptops will help reduce the time the officer spends in the booking area and will allow them more time to be out patrolling. Currently the Investigators stationed in Dripping Springs do not have a Video Recording System to record confession statements that could be used as admissible evidence during a court trial. Having a video recorder system in Dripping Springs will provide the necessary tool to record the confession statement at that location rather than having to travel one hour or more to San Marcos to record a confession. The grant application is due at CAPCOG by February 24, 2012. A motion was made by Commissioner Ingalsbe, seconded by Commissioner Whisenant to adopt a resolution authorizing the County Judge to submit a grant application to the Office of the Governor - Criminal Justice Division (CJD) for the Hays County Sheriff's Office in the amount of \$28,970.15. All voting "Aye". MOTION PASSED

27905 FUND \$25,000 FOR THE IMPROVEMNETS TO THE SAN MARCOS SENIOR CITIZENS CENTER, A PROJECT OF COMMUNITY ACTION, INC. AND AUTHORIZE THE COUNTY JUDGE TO EXECUTE A FUNDING AGREEMENT AS PREPARED BY LEGAL COUNSEL AND AMEND THE BUDGET ACCORDINGLY

The San Marcos Senior Citizens Center has been in existence for over 30 years and provides a community facility where senior citizens can come together to receive services, and take part in recreational activities that enhance their quality of life, support their independence and encourage their involvement in and with the community. The average daily attendance is 25 persons a day. This past year, the Center was visited from Seniors from outside the San Marcos area: Kyle - 67, Wimberley - 11, Buda - 18, Dripping Springs - 5. Amount requested \$25,000 Tobacco Settlement Funds. A motion was made by Commissioner Ingalsbe, seconded by Commissioner Conley to fund \$25,000 for the improvements to the San Marcos Senior Citizens Center, a project of Community Action, Inc. and authorize the County Judge to execute a funding agreement as prepared by legal counsel and to amend the budget accordingly. All voting "Aye". MOTION PASSED

27906 AUTHORIZE THE COUNTY JUDGE TO EXECUTE THE PROFESSIONAL SERVICES AGREEMENT WITH BROWN & GAY ENGINEERS, INC.

Brown & Gay Engineers, Inc. is the agency proposed to provide Construction Inspection and Materials Testing for the FM 110 project; the PSA will allow for the completion of: (1) Constructability reviews of the construction plans (2) Documents Control / Records Management. (3) RFI Processes (4) Change Order Processes (5) Construction Oversight (6) Materials Testing (7) Monitoring of Utility Relocations (City of Buda waterline) (8) Reporting of Construction Activities (9) Surveying. A motion was made by Commissioner Ingalsbe, seconded by Commissioner Jones to authorize the County Judge to execute the Professional Services Agreement with Brown & Gay Engineers, Inc. All voting "Aye". MOTION PASSED



FEBRUARY 21, 2012

VOLUME U PG 793

27907 APPROVE A FEE SCHEDULE FOR SERVICES PROVIDED BY THE DEVELOPMENT SERVICES DEPARTMENT

Director of Development Services Clint Garza will like to change fees for the various services provided in the daily departmental operations. These services include Food/OSSF permitting & inspection, floodplain review, subdivision review, and GIS/Mapping Services. Currently the fees charged for these services were approved on different dates and times resulting in numerous "approved" fee schedules. Court action to approve the attached schedule will reduce confusion among staff and consultants using dated information. Nearly all fees have no change and fees that changed are listed below: Class "C" permit is a classification of permit issued to development in a floodplain that is not a habitable structure. Historically this was simply included in the Class "B" permits group but 2009 changes to regulations required it to be separated. GIS/Mapping Fees have also been updated for the first time in 11 years. Technical Services (old \$25) (new \$30), Professional Services (old \$35) (new \$50), Maps 8.5x11(old \$.25) (new \$.5), 11x17(old \$.5) (new \$1.00), Larger Maps (old \$3 per ft.) (new \$.02 per sq. in) A motion was made by Commissioner Jones, seconded by Commissioner Ingalsbe to approve a fee schedule for services provided by the Development Services Department. All voting "Aye". MOTION PASSED

County Clerk's Note Agenda Item #17 Re: EXECUTIVE SESSION PURSUANT TO SECTIONS 551.071 AND 551.072 OF THE TEXAS GOVERNMENT CODE: CONSULTATION WITH COUNSEL AND DELIBERATION REGARDING THE PURCHASE, EXCHANGE, OR VALUE OF REAL PROPERTY RELATED TO THE MARKETING AND POTENTIAL SALE OF COUNTY OWNED PROPERTIES - was pulled

ACTION RELATED TO THE BURN BAN AND/OR DISATER DECLARATION

Burn Ban will remain lifted. County Judge urged county residents to burn responsibly

County Clerk's Note Agenda Item #19 Re: DISCUSSION OF ISSUES RELATED TO PROPOSED CAPITAL CONSTRUCTION PROJECTS IN HAYS COUNTY, INCLUDING BUT NOT LIMITED TO THE GOVERNMENT CENTER: THE PROPOSED PRECINCT 2 OFFICE; AND THE LAW ENFORCEMENT CENTER IMMEDIATE NEEDS PROJECT - was pulled

DISCUSSION OF ISSUES RELATED TO THE ROAD BOND PROJECTS, INCLUDING UPDATES FROM MIKE WEAVER, PRIME STRATEGIES AND JEFF CUREEN, HDR

Jeff Curren, HDR gave an update review of the Road Bond Projects.

County Clerk's Note Agenda Item #21 Re: DISCUSSION OF MATERIAL RELATING TO THE HAYS COUNTY WATER AND SEWER AUTHORITY AND/OR THE LCRA DIVESTITURE-was pulled

A motion was made by Commissioner Conley, seconded by Commissioner Jones to adjourn court.

I, LIZ G. GONZALEZ, COUNTY CLERK and EXOFFICIO CLERK OF THE COMMISSIONERS' COURT, do hereby certify that the foregoing contains a true and accurate record of the proceedings had by the Hays County Commissioners' Court on February 21, 2012.



LIZ G GONZALEZ, COUNTY CLERK AND EXOFFICIO
CLERK OF THE COMMISSIONERS' COURT OF
HAYS COUNTY, TEXAS

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: Accept the District Clerk Fee Collection Report for November – December 2011

CHECK ONE: ☒ **CONSENT** ☐ **ACTION** ☐ **EXECUTIVE SESSION**
 ☐ **WORKSHOP** ☐ **PROCLAMATION** ☐ **PRESENTATION**

PREFERRED MEETING DATE REQUESTED: February 28, 2012

AMOUNT REQUIRED: None

LINE ITEM NUMBER OF FUNDS REQUIRED: None

REQUESTED BY: Beverly Crumley, District Clerk

SPONSORED BY: Cobb

SUMMARY:

Art. 103.005, Code of Criminal Procedure, Required Report of an officer listed in Article 103.003 who collects money other than taxes for a county shall report to the commissioners court of the county for which the money was collected during each term of the court.

The District Clerk Fee Collection report has been sent to the Court.

Agenda Item Request Form

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no later than 2:00 p.m. on WEDNESDAY.

Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: Authorize the Grants Administration Department, working in conjunction with the Hays County Historical Commission, to apply for foundation grant support to complete restoration of the Old Hays County Jail.

CHECK ONE: ☒ **CONSENT** ☐ **ACTION** ☐ **EXECUTIVE SESSION**
 ☐ **WORKSHOP** ☐ **PROCLAMATION** ☐ **PRESENTATION**

PREFERRED MEETING DATE REQUESTED: February 28, 2012

AMOUNT REQUIRED: N/A

LINE ITEM NUMBER OF FUNDS REQUIRED: N/A

REQUESTED BY: Hauff/Johnson

SPONSORED BY: Cobb

SUMMARY:

Phase I restoration of the historic Old Hays County Jail has been completed, involving repair and stabilization of the "shell" of the building. Further work is necessary to provide a habitable space, including door and window restoration and interior work.

The Grants Administration Department has been requested to assist the Hays County Historical Commission in soliciting grant funds/foundation support to complete the restoration. Identification of appropriate funding sources is ongoing, and with variable deadlines for submission of funding requests it would be beneficial to be able to apply for such resources as opportunities arise, without the necessity of Commissioner Court approval for each individual application. Each funding award will be presented to the Commissioners Court for approval. General application guidelines will be followed such that additional fiscal match or other resources over and above that normally employed from the County will not be necessitated by grant award requirements.

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Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: Authorize the County Judge to execute a letter amendment to a Utility Relocation Agreement between Hays County and the City of Kyle.

TYPE OF ITEM: CONSENT

PREFERRED MEETING DATE REQUESTED: February 28, 2012

AMOUNT REQUIRED: N/A

LINE ITEM NUMBER OF FUNDS REQUIRED: N/A

REQUESTED BY: JONES

SPONSORED BY: JONES

SUMMARY: This letter amendment clarifies and/or modifies the timing of the County's payment to the City of Kyle for relocation of City utilities associated with improvements on the FM 150 project.

LETTER AGREEMENT

This Letter Agreement addresses and modifies the funding arrangement set out in a Modified Utility Agreement executed on or about the ____ day of _____, 20__ ("Utility Agreement") by and between Hays County, a political subdivision of the State of Texas (hereinafter "County"), the City of Kyle, Texas, a municipal corporation (hereinafter "City" or "Utility"), and the Texas Department of Transportation. County and City are collectively referred to as "the parties to this Agreement" or "the parties."

The Parties hereby make the following modification in the Utility Agreement (additions are indicated with an underline, while deletions are indicated with a ~~striketrough~~):

The County will, ~~upon satisfactory completion of the Statement of Work and upon receipt of final billing prepared in an approved form and manner~~ at the same time it provides written notice for the Utility to proceed, make payment in the amount of ninety percent (90%) of the agreed lump sum amount cited above. ~~eligible costs as shown in the final billing prior to audit and after such audit~~, Once utility relocation is substantially complete, County shall make an additional final payment totaling the reimbursement amount found eligible for County reimbursement.

EXCEPT FOR THE ABOVE MODIFICATION, ALL OTHER TERMS AND CONDITIONS OF THE AGREEMENT SHALL REMAIN UNCHANGED, UNLESS PROPERLY MODIFIED BY SUBSEQUENT AMENDMENT UNDER THE TERMS OF THE AGREEMENT.

This Letter Agreement is hereby executed this the ____ day of _____, 2012, as is evidenced by the authorized signatures of the Parties, below.

CITY

COUNTY

BY: Lanny Lambert
Kyle City Manager

HAYS COUNTY, TEXAS
JUDGE BERT COBB, M.D.
HAYS COUNTY JUDGE

ATTEST: _____
Kyle City Clerk

ATTEST: _____
LIZ Q. GONZALEZ
HAYS COUNTY CLERK

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Phone (512) 393-2205

AGENDA ITEM: Discussion and possible action to approve an order authorizing the issuance of one or more series of Hays County, Texas Limited Tax refunding bonds; delegating the authority to certain County Officials and County Staff to execute certain documents related to the sale of the bonds; authorizing an escrow agreement and a paying agent/registrar agreement; and other matters related thereto.

CHECK ONE:	CONSENT	X ACTION	EXECUTIVE SESSION
	WORKSHOP	PROCLAMATION	PRESENTATION

PREFERRED MEETING DATE REQUESTED: 2/28/12

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY:

SPONSORED BY: COBB

See attached

ORDER AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS; DELEGATING THE AUTHORITY TO CERTAIN COUNTY OFFICIALS AND COUNTY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATED TO THE SALE OF THE BONDS; AUTHORIZING AN ESCROW AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND OTHER MATTERS RELATED THERETO

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Schedule I – Candidates for Refunded Obligations

Exhibit A – Form of the Approval Certificate

Exhibit B – Form of Escrow Agreement

Exhibit C – Form of Paying Agent/Registrar Agreement

Exhibit D – Form of Notice of Redemption

Exhibit E – Description of Annual Financial Information

ORDER AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS; DELEGATING THE AUTHORITY TO CERTAIN COUNTY OFFICIALS AND COUNTY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATED TO THE SALE OF THE BONDS; AUTHORIZING AN ESCROW AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND OTHER MATTERS RELATED THERETO

WHEREAS, the Commissioners Court (the "Commissioners Court") of Hays County, Texas (the "County") has previously authorized and there is presently outstanding the obligations of the County, described in Schedule I attached hereto; and

WHEREAS, the County desires to refund certain of its outstanding obligations identified in Schedule I attached hereto; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes the County to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, under an escrow agreement to provide for the payment of refunded obligations, and such deposit, when made in accordance with Chapter 1207, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the refunded obligations;

WHEREAS, Chapter 1207 permits that the deposit of the proceeds from the sale of the refunding bonds be deposited directly with any designated escrow agent for the refunded obligations which is not the depository bank of the County; and

WHEREAS, Chapter 1207 further authorizes the County to enter into an escrow agreement with any paying agent for the refunded obligations with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the County and such paying agent may agree, provided that such deposits may be invested and reinvested in obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which shall mature and bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment or prepayment of the refunded obligations; and

WHEREAS, when firm banking arrangements have been made for the payment of principal of and interest to the stated maturity or redemption dates of the refunded obligations, then the refunded obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose and may not be included in or considered to be an indebtedness of the County for the purpose of a limitation on outstanding indebtedness or taxation or for any other purpose; and

WHEREAS, the Commissioners Court hereby finds and declares a public purpose and deems it advisable to refund the obligations selected for refunding as described below (the "Refunded Obligations") in order to effect a gross debt service savings and a present value saving in interest costs; and that such benefit is sufficient consideration for the refunding of the Refunded Obligations, and that the issuance of the refunding bonds is in the best interests of the County; and

WHEREAS, the Refunded Obligations mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

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

WHEREAS, the Commissioners Court hereby finds and determines that the issuance of the limited tax refunding bonds is in the best interest of the citizens of the County;

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

Section 1. Authorization of the Bonds. There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly Chapter 1207, Texas Government Code, as amended, one or more series of bonds of the County to be known as HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS, SERIES _____" (the "Bonds"), payable from ad valorem taxes as provided in this Order, for the purposes described in the "Form of Bonds" contained in Section 3 hereof. The series of such Bonds shall be designated by the Authorized Representative in the Approval Certificate.

As authorized by Chapters 1207 and 1371, Texas Government Code, as amended, each Authorized Representative is each hereby authorized, appointed, and designated as an officer of the County authorized to act on behalf of the County in selling and delivering the Bonds authorized herein and carrying out the procedures specified in this Order, including determining the following: (i) the bonds to be refunded; (ii) the date, form, and designation of the Bonds; (iii) the aggregate principal amount of each maturity of the Bonds and the rate of interest to be borne on the principal amount of each maturity; (iv) the allocation of any premium generated from the sale of the Bonds, (iv) the redemption provisions (v) the form of the Escrow Agreement and selection of Escrow Agent; and (vi), and the approval, replacement, or confirmation, as applicable, of the underwriting syndicate, to consist of one or more financial institutions included in the County's underwriters pool, and the establishment or confirmation, as applicable, of the respective roles of the members of such syndicate, which approval, replacement, and establishment (if any) shall supersede prior action or actions of the Commissioners Court concerning the same. Each of the above Authorized Representatives, acting for and on behalf of the County, is authorized to execute the Approval Certificate attached hereto as Exhibit A (the "Approval Certificate") within one year after the date of adoption of this Order. The Bonds shall be issued in the aggregate principal amount not to exceed \$45,000,000; the maximum maturity of the Bonds will be August 15, 2032; the refunding must result in a net present value savings of at least 3.00%, including the County's cash contribution, if any; and the net effective per annum rate, calculated in a manner consistent with the provisions of Chapter 1204, Texas Government Code, as amended, shall not exceed the maximum net effective per annum rate permitted thereunder. Any Authorized Representative is authorized to select a bond insurer, if any, with respect to the Bonds. The execution of the Approval Certificate shall evidence the sale date of the Bonds by the County to the Initial Purchaser (hereinafter defined). Upon execution of the Approval Certificate, Bond Counsel is authorized to revise and complete this Order, if necessary, to reflect such final terms.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds. The Bonds shall be dated as set forth in the Approval Certificate (the "Bond Date"). Interest shall commence to accrue on the Bonds on such date. The Bonds shall be in the respective denominations and principal amounts hereinafter stated, payable to the Initial Purchaser (the "Initial Purchaser"), or to the registered assignee or assignees of the Bonds or any portion or portions thereof.

The Bonds shall mature on the principal payment dates in each of the years and in the amounts and bear interest as set forth in the Approval Certificate.

The Bonds may be issued as Current Interest Bonds and/or Premium Capital Appreciation Bonds.

(a) The Initial Current Interest Bond shall be numbered I-1 and all other Current Interest Bonds shall be numbered in sequence beginning with R-1. Current Bonds delivered on transfer of or in exchange for other Current Interest Bonds shall be numbered in order of their authentication by the Registrar, shall be in the denomination of \$5,000 or integral multiples thereof, and shall mature on the same day and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

(b) The Premium Capital Appreciation Bonds, if any, shall be initially issued bearing compound interest at the rates set out in the Approval Certificate. The Initial Premium Capital Appreciation Bond shall be numbered IPCAB-1 (together with the Initial Current Interest Bond, the "Initial Bonds") and all other Capital Appreciation Bonds shall be numbered in sequence beginning the RPCAB-1. Capital Appreciation Bonds delivered on transfer of or in exchange for other Capital Appreciation Bonds shall be numbered in order of their authentication by the Registrar, shall be in the Maturity Amount of \$5,000 or integral multiples thereof, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

Section 3. General Characteristics and Form of the Bonds. The Bonds shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated, in the form set forth below. The Form of the Bonds, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on the Initial Bond (hereinafter defined), the Form of the Authentication Certificate, the Form of Insurance Statement, if any, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Order, and the definitions contained with each such form shall apply solely to such form:

(a) Form of Current Interest Bonds.

Form of Definitive Current Interest Bonds

[To be completed as determined in the Approval Certificate.]

United States of America
State of Texas
HAYS COUNTY, TEXAS
LIMITED TAX REFUNDING BOND, SERIES _____

NUMBER
R-_____
REGISTERED

DENOMINATION
\$_____
REGISTERED

INTEREST
RATE
%

DATED
DATE

MATURITY
DATE

CUSIP NO.

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

HAYS COUNTY, TEXAS (the "County"), a body corporate and political subdivision of the State of Texas, for value received, promises to pay to the registered Owner, specified above, or registered assignees (the "Owner") on the Maturity Date, specified above, upon presentation and surrender of this Bond at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Bond Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check dated _____, 20__ and each February 15 and August 15 thereafter, mailed to the registered Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the date which is the last business day of the month next preceding the interest payment date or in such other manner as may be acceptable to the registered Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the County and the Paying Agent/Registrar, the registered Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar 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 the Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice. The County covenants with the registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Order defined below.

THIS BOND is one of a series of Bonds, dated as of _____, 20__ (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Order adopted by the Commissioners Court of the County on February 28, 2012 and an "Approval Certificate" executed pursuant thereto (collectively, the "Order"), in the original aggregate principal amount of \$ _____ for the purpose of refunding certain outstanding bonds and to pay costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapters 1207 and 1371, Texas Government Code, as amended. [The Bonds are issued in part as "Current Interest Bonds", which total in aggregate principal amount \$ _____ and pay accrued interest at stated intervals to the Owner and in part as "Premium Capital Appreciation Bonds", which total in aggregate original principal amount, \$ _____ and pay no accreted interest prior to Stated Maturity.]¹

THE COUNTY RESERVES THE RIGHT to redeem the [Current Interest]¹ Bonds maturing on or after _____, 20__, in whole or in part, in integral multiples of \$5,000, on _____, 20__, or on any date thereafter. Such optional redemptions shall be at a redemption price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of

¹ Bracketed text to be included if Current Interest Bonds and Premium Capital Appreciation Bonds are issued.

the Bonds are to be redeemed, the particular Bonds to be redeemed shall be selected by the County in integral multiples of \$5,000 within any one maturity.

[The following paragraph to be included if Term Bonds] THE BONDS maturing in _____ (the "Term Bonds") shall be subject to mandatory sinking fund redemption, in whole or in part (at a redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption), on _____ in each of the years and in the amounts set forth below:

<u>Redemption Date</u>	<u>Principal Amount</u>
	\$

(final maturity)

At least 30 days prior to the mandatory redemption date for the Term Bonds, the Paying Agent/Registrar shall select by lot the numbers of the Term Bonds to be redeemed. Any Term Bonds, or a portion thereof, not selected for prior redemption shall be paid on the date of final maturity. To the extent, however, that the Term Bonds of a maturity which at least 45 days prior to a mandatory redemption date (i) have been previously purchased by the County and delivered to the Paying Agent/Registrar for cancellation or (ii) called for optional redemption in part and other than from a sinking fund redemption payment, the annual sinking fund payments therefore shall be reduced by the amount obtained by multiplying the principal amount of the Term Bonds of such maturity so purchased or redeemed by the ratio which each remaining annual sinking fund redemption payment therefore bears to the total sinking fund payments for such maturity, and by rounding each such payment to the nearest \$5,000 integral.

At least 45 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be given by the County to the Paying Agent/Registrar, and the Paying Agent/Registrar shall send a copy of such notice at least 30 days prior to the date fixed for redemption by United States mail, first class, postage prepaid, addressed to the Owner of each Bond to be redeemed in whole or in part at the address shown on the Register; provided, however, that the failure to send, mail, or receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. When Bonds 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.

THE BONDS are issued pursuant to the Order whereunder the County covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the County, within the limits prescribed by law, for each year while any part of the Bonds are considered outstanding under the provisions of the Order, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Bonds when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Order for provisions

with respect to the custody and application of the County's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the registered Owner.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner, or his authorized representative, subject to the terms and conditions of the Order. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, all subject to the terms and conditions of the Order. The registered Owner of this Bond shall be deemed and treated by the County and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the County and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the County, resigns, or otherwise ceases to act as such, the County has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owner.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the County have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on, or maturing amounts of (as appropriate) the Bonds by the levy of a continuing, direct, annual ad valorem tax upon all taxable property within the County, within the limit prescribed by law; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Bond, the Owner thereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Order constitute a contract between each Owner and the County.

(The remainder of this page intentionally left blank.)

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

HAYS COUNTY, TEXAS

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
County Judge

COUNTERSIGNED AND REGISTERED

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Hays County, Texas

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
County Treasurer of Hays County, Texas

(SEAL OF COMMISSIONERS COURT)

Form of Initial Current Interest Bond

[To be completed as determined in the Approval Certificate.]

The Initial [Current Interest] Bond shall be in the form set forth above for the Definitive [Current Interest] Bond, except the following shall replace the heading and the first paragraph:

NO. I-1

\$ _____

United States of America
State of Texas
HAYS COUNTY, TEXAS
LIMITED TAX REFUNDING BOND, SERIES _____

Dated Date: _____, 20____

Owner: _____

Principal Amount: _____ (\$ _____)

HAYS COUNTY, TEXAS, a body corporate and a political subdivision of the State of Texas (the "County"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Owner, specified above, or the registered assigns thereof (the "Owner"), the Principal Amount, specified above, with principal installments payable on _____ in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

YEARS OF
STATED MATURITIES

PRINCIPAL
INSTALLMENTS
\$

INTEREST
RATE
%

(Information to be inserted from Approval Certificate.)

INTEREST on the unpaid Principal Amount hereof from the Dated Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 15 and August 15 of each year, commencing _____, 20__.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment office of THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the Register kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the County required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the registered Owner hereof at its address as it appears on the Register. The record date ("Record Date") for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar 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 the Registered Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice. The County covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the Order defined below.

(b) Form of Premium Capital Appreciation Bonds.

Form of Definitive Premium Capital Appreciation Bonds

[To be completed as determined in the Approval Certificate.]

REGISTERED
NO. RPCAB _____

REGISTERED MATURITY AMOUNT

United States of America
State of Texas

HAYS COUNTY
LIMITED TAX REFUNDING BOND, SERIES _____

Bond Date:

Stated Yield:

Stated Maturity:

CUSIP No.:

REGISTERED OWNER:

MATURITY AMOUNT: _____ DOLLARS

The Hays County, Texas, a body corporate and political subdivision in the State of Texas (the "County"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof (the "Owner"), on the Stated Maturity date specified above, the Maturity Amount stated above. The Maturity Amount of this Bond represents the accretion of the original principal amount of this Bond (including the initial premium, if any, paid therefor) from the date of initial delivery of this Bond to the Purchaser thereof to its Stated Maturity and such accretion in value occurs at the above Stated Yield and compounds on _____, 20__, and semiannually thereafter on February 15 and August 15. A table of the "Accreted Values" per \$5,000 "Accreted Value" at Stated Maturity is printed on the reverse side of this Bond. The term "Accreted Value", as used herein, means the original principal amount of this Bond plus the initial premium, if any, paid therefor with interest thereon compounded semiannually from February 15 or August 15, as the case may be, next preceding the date of such calculation (or the date of calculation, if such calculation is made on February 15 or August 15) at the Stated Yield for the Stated Maturity shown above and in the Table of Accreted Values printed hereon. For any date other than February 15 or August 15, the Accreted Value of this Bond shall be determined by a straight line interpolation between the values for the applicable semiannual compounding dates (based on 30-day months).

The Maturity Amount of this Bond is payable at its Stated Maturity to the registered Owner hereof, upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Payments of principal of and accreted and compounded interest on this Bond shall be without exchange or collection charges to the Owner hereof and 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.

This Bond is one of the series specified in its title issued in the aggregate original principal amount of \$ _____ (the "Bonds") pursuant to an order adopted by the Commissioners Court of the County (the "Order") for the purpose of refunding certain outstanding bonds and to pay costs of issuance of the Bonds by virtue of the laws of the State of Texas, particularly Chapters 1207 and 1371, Texas Government Code, as amended. The Bonds are issued in part as "Current Interest Bonds", which total in aggregate principal amount \$ _____ and pay accrued interest at stated intervals to the registered Owner and in part as "Premium Capital Appreciation Bonds", which total in aggregate original principal amount, \$ _____ and pay no accreted interest prior to Stated Maturity.

As specified in the Order, the Premium Capital Appreciation Bonds are not subject to redemption prior to Stated Maturity.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the County.

Reference is hereby made to the Order, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Owner of this Bond by the

acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Owner; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its Stated Maturity and deemed to be no longer Outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred on the Register only upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the registered Owner hereof, or his duly authorized agent. When a transfer on the Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, accreting interest at the same rate, and of the same aggregate Maturity Amount will be issued by the Paying Agent/Registrar to the designated transferee or transferees.

The County and the Paying Agent/Registrar, and any agent of either, shall treat the registered Owner whose name appears on the Register (i) on the date of surrender of this Bond as the Owner entitled to payment of the Maturity Amount at its Stated Maturity and (ii) on any other date as the Owner for all other purposes, and neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

It is hereby certified, recited, represented, and declared that the County is a duly organized and legally existing government agency under and by virtue of the laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the County have been properly done, have happened, and have been performed in regular and due time, form and manner as required by the laws of the State of Texas and the Order; that the Bonds do not exceed any Constitutional or statutory limitations; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforestated. In case any provision in this Bond or application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications of this Bond shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

(The remainder of this page intentionally left blank.)

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

HAYS COUNTY, TEXAS

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
County Judge

COUNTERSIGNED AND REGISTERED

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Hays County, Texas

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
County Treasurer of Hays County, Texas

(SEAL OF COMMISSIONERS COURT)

TABLE OF ACCRETED VALUES
(to be on reverse side)

Form of Initial Premium Capital Appreciation Bond

The Initial Premium Capital Appreciation Bond shall be in the form set forth above for the Definitive Premium Capital Appreciation Bond, except the following Heading and first paragraph shall be amended to read as follows:

REGISTERED
NO. IPCAB-1

REGISTERED MATURITY AMOUNT
\$ _____

United States of America
State of Texas
HAY COUNTY, TEXAS
LIMITED TAX REFUNDING BOND, _____

BOND DATE: _____, 20__

REGISTERED OWNER: _____

MATURITY AMOUNT: _____ DOLLARS

The Hays County, Texas, a body corporate and political subdivision in the State of Texas (the "County"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the aggregate Maturity Amount

stated above on _____ in each of the years and in installments in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Original Principal Amounts (\$)</u>	<u>Stated Maturity Amounts (\$)</u>	<u>Stated Yields (%)</u> *
_____	_____	_____	_____

(Information to be inserted from Approval Certificate).

*based on initial premium paid

(c) Form of Statement of Insurance.

STATEMENT OF INSURANCE

[Information to be inserted from Approval Certificate.]

(d) Form of Registration Certificate of the Comptroller of Public Accounts (to be printed on or attached to only the Initial Bonds).

COMPTROLLER S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

(COMPTROLLER S SEAL)

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX
Comptroller of Public Accounts
of the State of Texas

(The remainder of this page intentionally left blank.)

(e) Form of Authentication Certificate (to be printed on the Definitive Bonds only).

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Order described on the face of this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

THE BANK OF NEW YORK MELLON TRUST COMPANY,
N.A., Dallas, Texas
as Paying Agent/Registrar

Dated _____

By _____
Authorized Representative

(f) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

/ _____
(Please insert Social Security or (Please print name and address, including zip code, of
Transferee)
Taxpayer Identification of Transferee)

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints

_____ attorney to register
the transfer of the within Bond on the books kept for registration thereof, with full power of substitution
in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

The following abbreviations, when used in the Assignment above or on the face of the within Bond, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

In case any officer of the County whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bonds was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The County authorizes the printing of a true and correct copy of an opinion of Bond Counsel, relating to the validity and enforceability of the Bonds under Texas law and the status of interest on the Bonds under federal income tax laws on the reverse side of each of the Bonds over a certificate of identification executed by the facsimile signature of the County Clerk of the County, and also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Order, shall in no way affect the validity or enforceability of the Bonds or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Bonds.

Section 4. Definitions. In addition to other words and terms defined in this Order (except those defined and used in Section 3), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Approval Certificate” means one or more approval certificates approved by the Authorized Representative in connection with the issuance of a series of Bonds issued under this Order.

“Authorized Representative” means any of the County Judge, the County Clerk, the County Treasurer, the County Auditor and/or the County Attorney.

“Bond Counsel” means Winstead PC or such other firm of nationally recognized bond counsel appointed by the County.

"Bonds" means one or more series of bonds authorized by this Order and any Approval Certificate relating to such bonds.

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

“Current Interest Bonds” means those Bonds on which interest is paid semiannually on the Interest Payment Dates.

“Escrow Agent” means escrow agent designated by the Authorized Representative in the Approval Certificate, or any successor thereto.

“Escrow Agreement” means the agreement, dated as of the dated date of the Bonds specified in the Approval Certificate, between the County and the Escrow Agent, in substantially the form attached hereto as Exhibit B.

“Government Obligations” means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Interest Payment Date” means, when used in connection with any Bond, each August 15 and February 15 of each year until maturity of such Bond, commencing on the interest commencement date specified in the Approval Certificate.

“Initial Purchaser” means the entity named in the Approved Certificate.

“Order” means this Order Authorizing the Issuance of One or More Series of Hays County, Texas Limited Tax Refunding Bonds; Delegating the Authority to Certain County Officials And County Staff to Execute Certain Documents Related to the Sale of the Bonds; Authorizing An Escrow Agreement and a Paying Agent/Registrar Agreement; and Other Matters Related Thereto” adopted by the Commissioners Court on February 28, 2012, together with any Approval Certificates.

“Owners” means any person who shall be the registered owner of any outstanding Bonds on the Register.

“Paying Agent/Registrar” means The Bank of New York Mellon Trust Company, in Dallas, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Order.

“Paying Agent/Registrar Agreement” means the agreement, dated as of the Bond Date of the Bonds specified in the Approval Certificate, between the Paying Agent/Registrar and the County relating to the registration, authentication, and transfer of the Bonds, in substantially the form attached hereto as Exhibit C.

“Premium Capital Appreciation Bonds” means those Bonds bearing compound interest at the rate set out in the Approval Certificate to accrete from their date of delivery and compounding on the dates set forth in the Approval Certificate, payable only at maturity.

"Purchase Contract" means the Purchase Contract between the County and the Initial Purchaser approved by an Authorized Representative.

"Record Date" means the date upon which the person to whom payment due on any Bond is determined, being the last business day of the calendar month next preceding the applicable Interest Payment Date.

"Refunded Obligations" means the Countys outstanding debt described in Schedule I attached hereto to be refunded or defeased with the proceeds of the Bonds as provided in any Approval Certificate.

"Register" means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

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

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

Section 5. County Funds. (a) Interest and Sinking Fund and Tax Levy. A special "Interest and Sinking Fund" is hereby confirmed and shall be maintained by the County at an official depository bank of the County. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the County and shall be used only for paying the interest on and principal of the Bonds. The net proceeds of all ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the principal of or interest on or maturing amounts of (as appropriate) the Bonds are outstanding and unpaid, the governing body of the County shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal on the Bonds as such principal matures (but never less than 2% of the outstanding principal amount of the Bonds as a sinking fund each year; and the tax shall be based on the latest approved tax rolls of the County, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the County, for each year while any of the Bonds or interest thereon are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

(b) Escrow Fund. The Escrow Fund is the fund established and held by the Escrow Agent pursuant to the Escrow Agreement into which certain proceeds of the Bonds, in the amount specified in the Escrow Agreement (net of any cash contribution of the Issuer made for the purpose of accomplishing the redemption of the Refunded Obligations), shall be placed. The Escrow Fund shall be used to pay the costs necessary or appropriate to accomplish payment of the Refunded Obligations, at the earlier of maturity or redemption thereof, in accordance with the provisions of the respective orders of the County authorizing their issuance.

Section 6. Investments and Security. (a) Investment of Funds. Except as otherwise proved herein, the Commissioners Court may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein.

Interest earnings derived from the investment of proceeds of the Refunded Obligations, if any, shall be used as provided in the Escrow Agreement. It is provided, however, that any interest earnings on proceeds of the Bonds which are required to be rebated to the United States of America in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) Security for Funds. All funds created by this Order shall be secured in the manner and to the fullest extent required by law for the security of funds of the County.

Section 7. Remittances to Paying Agent/Registrar. It shall be the duty of the County Treasurer of the County without any further direction by the County to make remittances to the Paying Agent/Registrar of the amounts necessary on each occasion to pay the installment of interest or the installment of principal and interest due on the next succeeding interest payment date. Said remittances shall be made not less than five days prior to such scheduled date of interest or interest and principal payments.

Section 8. Covenants of the County. (a) General Covenants. The County covenants and represents that:

(i) The County is a duly created and existing political subdivision of the State of Texas and is duly authorized under the laws of the State of Texas to create and issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the owners thereof are and will be valid and enforceable obligations of the County in accordance with their terms; and

(ii) The Bonds shall be ratably secured in such manner that no one Bond shall have preference over other Bonds.

(b) Specific Covenants. The County covenants and represents that, while the Bonds are outstanding and unpaid, it will:

(i) Levy an ad valorem tax that will be sufficient to provide funds to pay the current interest on the Bonds and to provide the necessary sinking fund, all as described in this Order; and

(ii) Keep proper books of record and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to this Order, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any Owner.

(c) Covenants Regarding Tax Matters. The County covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the County specifically covenants as follows:

(i) To refrain from taking any action which would result in the Bonds being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Bonds or the projects financed with the Refunded Obligations are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed with the Refunded Obligations are so used, that amounts, whether or not received by the County with respect

to such private business use, do not under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Bonds or the projects financed therewith, then the amount in excess of 5% is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Bonds is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Bonds being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds.

(vii) To otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refunding);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90% of the "Excess Earnings," within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) To maintain such records as will enable the County to fulfill its responsibilities under this subsection and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Bonds.

For the purposes of the foregoing, in the case of a refunding bond, the term proceeds includes transferred proceeds and, for purposes of paragraphs (ii) and (iii), proceeds of the Refunded Obligations.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the County will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the County agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code.

Proper officers of the County charged with the responsibility of issuing the Bonds are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the County, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

Notwithstanding any other provision in this Order, to the extent necessary to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Bonds.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The County covenants that the County will regulate the use of the property financed, directly or indirectly, with the proceeds of the Refunded Obligations and will not sell, lease, or otherwise dispose of such property unless (i) the County takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the exclusion from gross income of interest on the Bonds under section 103 of the Code or (ii) the County seeks the advice of nationally recognized bond counsel with respect to such sale, lease, or other disposition.

Section 9. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of and the accrued interest on the Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America, which, on the date of payment, is legal tender for the payment of debts due the United States of America, as described in the Form of Bonds in Section 3 hereof.

The County, the Paying Agent/Registrar, and any other person may treat the Owner as the absolute owner of such Bonds for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the County nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Order shall be valid and effectual and shall discharge the liability of the County and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its corporate trust offices in Texas in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

The County may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and shall be authorized by law to serve as a paying agent/registrar. In such event, the County shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Order.

The President and the Secretary of the Commissioners Court are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form of Exhibit C.

Section 10. Initial Bond; Exchange or Transfer of Bonds. Initially, the Initial Bond (numbered I-1) or the Initial Bonds (numbered I-1 and IPCAB-1), as applicable, and representing the entire principal amount of Bonds shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or her duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Bond to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Bond are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Bonds upon authorization of the County as provided in such instructions.

Each Bond shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business day after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with this Order and each Bond so delivered shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

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

Section 11. County Officers' Duties. (a) Issuance of Bonds. The County Judge of the County shall submit the Initial Bond or Initial Bonds, as applicable, the record of the proceedings authorizing the issuance of the Bonds, and any and all necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the County Judge of the County shall cause the Initial Bond or Initial Bonds, as applicable, to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the Commissioners Court are authorized to execute and deliver on behalf of the Commissioners Court such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Bonds to and by the Initial Purchaser.

(b) Execution of Order. The County Clerk of the County is authorized to execute the certificate to which this Order is attached on behalf of the Commissioners Court and to do any and all things proper and necessary to carry out the intent hereof.

Section 12. Remedies of Owners. In addition to all rights and remedies of any Owner of the Bonds provided by the laws of the State of Texas, the County and the Commissioners Court covenant and

agree that in the event the County defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Order to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Order, the Owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Commissioners Court and other officers of the County to observe and perform any covenant, obligation, or condition prescribed in this Order. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon 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 or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Order shall be available to any Owner of any of the Bonds and shall be cumulative of all other existing remedies.

Section 13. Lost, Stolen, Destroyed, Damaged, or Mutilated Bonds; Destruction of Paid Bonds. (a) Replacement Bonds. In the event any outstanding Bond shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the County shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Bond of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Bond, or in lieu of and substitution for such Bond, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Bonds shall be made to the County. In every case the applicant for a substitute Bond shall furnish to the County such deposit for fees and costs as may be required by the County to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the County indemnity to the County's satisfaction and shall file with the County evidence to the County's satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Bonds. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bonds, the County may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a substitute Bond, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Bonds, the County may charge the Owner of such Bond with all fees and costs incurred in connection therewith. Every substitute Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the County, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Bonds duly issued under this Order.

(e) Authority to Issue Substitute Bonds. This Order shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the Commissioners Court or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Order.

(f) Destruction of Paid Bonds. At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Bonds duly paid and shall furnish to the County a certificate evidencing such destruction.

Section 14. Redemption. The Approval Certificate shall designate the early redemption dates and redemption price, if any, of the Bonds.

Section 15. Defeasance. Except to the extent provided in subsection (c) of this Section, any Bond, and the interest thereon, shall be deemed to be paid, retired, and no longer outstanding within the meaning of this Order (a "Defeased Bond") when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment of any Defeased Bond. To cause a Bond scheduled to be paid on a date later than the next scheduled interest payment date on such Bond to become a Defeased Bond, the County must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Bonds, the County shall cause to be delivered: (i) in the event an escrow or similar agreement has been entered into with a Depository to effectuate such defeasance, a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of the escrow established to pay the Defeased Bonds in full on the maturity or, with respect to the Bonds, the redemption date thereof (the "Verification"); or (ii) in the event no escrow or similar agreement has been entered into, a certificate from the President of the Commissioners Court certifying that the amount deposited with a Depository is sufficient to pay the Defeased Bonds in full on the maturity date, or with respect to the Bonds, the redemption date thereof. In addition to the required Verification or certificate, the County shall also cause to be delivered an opinion of nationally recognized bond counsel to the effect that the Defeased Bonds are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Bonds. The Verification, if any, and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the County. The Bonds shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Bond shall be deemed to be a Defeased Bond hereunder, and all herein required criteria have been met, such Bond and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Order, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the County has reserved the option to be exercised at the time of the defeasance of the Bonds, to call for redemption, at an earlier date, those Bonds which have been defeased to their maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption; (ii) gives notice of the reservation of that right to the Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes..

Any money so deposited with a Depository may at the written direction of the County also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Bonds and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the County.

Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the County shall make proper arrangements to provide and pay for such services as required by this Order.

Section 16. Order a Contract; Amendments. This Order shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the County and its successors and assigns, and shall not be amended or repealed by the County as long as any Bond remains outstanding except as permitted in this Section. The County may, without the consent of or notice to any Owners, amend, change, or modify this Order as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The County may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Order; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the County desires to make any amendment or addition to or rescission of this Order requiring consent of the Owners, the County shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the County may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 17. Sale and Delivery of Bonds. (a) Sale. The sale of the Bonds to the Initial Purchaser pursuant to the Approval Certificate is hereby confirmed and delivery of the Bonds to the Initial Purchaser shall be made as soon as practicable after the adoption of this Order, upon payment therefor, in accordance with the Purchase Contract. The Authorized Representatives are hereby authorized to sign and deliver the Purchase Contract.

(b) Approval of Official Statement. An Authorized Representative is hereby directed to approve the form and content of the Official Statement relating to the Bonds and any addenda, supplement, or amendment thereto, and approve the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The form and content of and the distribution and use of the Preliminary Official Statement as approved by an Authorized Representative is approved.

(c) Legal Opinion. The Initial Purchaser's obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

(d) Registration and Delivery. Upon the registration of the Initial Bond, or Initial Bonds, as applicable, the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Bond pursuant to the instruction of the President of the Commissioners Court for delivery to the Initial Purchaser.

Section 18. Approval of Escrow Agreement. The County Judge of the County is hereby authorized and directed to execute and deliver, and the County Clerk of the County is hereby authorized and directed to attest, the Escrow Agreement.

Section 19. Use of Proceeds. The proceeds from the sale of the Bonds shall be to be used to retire the Refunded Obligations, to pay costs of issuance of the Bonds, and as otherwise described in the Approval Certificate.

Section 20. Matters Related to Refunding. In order that the County shall satisfy in a timely manner all of its obligations under this Order, the County Judge and all other appropriate officers and agents of the County, are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the refunding of the Refunded Obligations, including, without limitation, executing and delivering on behalf of the County all certificates, consents, receipts, requests, notices, and other documents as may be reasonably necessary to satisfy the County's obligations under this Order and to direct the transfer and application of funds of the County consistent with the provisions of this Order.

The County hereby authorizes and directs notices of redemption of the Refunded Obligations to be given in accordance with the orders authorizing the issuance of the Refunded Obligations, as provided substantially in the form attached hereto as Exhibit D. The Refunded Obligations are hereby called for redemption as set forth in the Approval Certificate.

To assure the purchase of the Escrowed Securities referred to in the Escrow Agreement, the County Judge and the Escrow Agent are hereby authorized to subscribe for, agree to purchase, and purchase non-callable obligations of the United States of America, in such amounts and maturities and bearing interest at such rates as may be provided for in the Report referred to in the Escrow Agreement, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization, and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved.

Section 21. Continuing Disclosure Undertaking. (a) Annual Reports. The County shall provide annually to the Municipal Securities Rulemaking Commissioners Court (the "MSRB") pursuant to its Electronic Municipal Market Access System ("EMMA"), within six months after the end of each Fiscal Year ending in or after 2012, financial information and operating data with respect to the County of the general type described in Exhibit E hereto with respect to such Fiscal Year or the 12-month period then ended. The continuing disclosure information is available to the public, without charge through the MSRB at www.emma.msrb.org. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted accounting principles or such other accounting principles as the County may be required to adopt from time to time by state law or regulations and (ii) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, the County will provide unaudited statements by the required time and the County shall provide audited financial statements for the applicable fiscal year to the MSRB when and if the audit report on such statements becomes available.

If the County changes its Fiscal Year, it will notify the MSRB of the change (and of the date of the new Fiscal Year end) prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the EMMA system internet website or filed with the SEC.

(b) Notice of Occurrence of Certain Events, Whether or Not Material. The County will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Bonds, without regard to whether such event is material within the meaning of the federal securities laws: (1) principal and interest payment delinquencies; (2) unscheduled draws on debt service reserves reflecting financial difficulties; (3) unscheduled draws on credit enhancements reflecting financial difficulties; (4) substitution of credit or liquidity providers, or their failure to perform; (5) adverse tax opinions or 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-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds; (6) tender offers; (7) defeasances; (8) rating changes; and (9) bankruptcy, insolvency, receivership or similar event of an obligated person.

For these purposes, any event described in the immediately preceding paragraph (9) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County.

(c) Notice of Occurrence of Certain Events, If Material. The County also will notify the MSRB through EMMA (in an electronic format as prescribed by the MSRB) within ten business days following the occurrence of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws: (1) non-payment related defaults; (2) modifications to rights of Owners; (3) redemption calls; (4) release, substitution, or sale of property securing repayment of the Bonds; (5) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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; and (6) appointment of a successor or additional trustee or the change of name of a trustee.

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

The financial information and operating data to be provided pursuant to this Section 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, if it is available from the MSRB that theretofore has been provided to each nationally recognized municipal securities information repository and any state information depository, or filed with the SEC.

(d) Limitations, Disclaimers, and Amendments. The County shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the County remains an "obligated person" with respect to the Bonds within the meaning of (the "Rule"), except that the County in any event will give notice of any deposit made in accordance with Section 14 that causes the Bonds no longer to be Outstanding, and any call of Bonds made in connection therewith.

The provisions of this Section are for the sole benefit of the beneficial Owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The County undertakes to provide only the financial information,

operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the County's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COUNTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, 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 County in observing or performing its obligations under this Section shall comprise a breach of or default under this Order for purposes of any other provisions of this Order.

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

The provisions of this Section may be amended, supplemented, or repealed by the County from time to time under the following circumstances, but not otherwise: (a) to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, if the provisions of this Section, as so supplemented or amended, would have permitted an underwriter to purchase or sell Bonds in the present offering in compliance with the Rule and either the Owners of a majority in aggregate principal amount of the Outstanding Bonds consent to such amendment, supplement, or repeal, or any State agency or official determines that such amendment, supplement, or repeal will not materially impair the interests of the beneficial Owners of the Bonds, (b) upon repeal of the applicable provisions of the Rule, or any judgment by a court of final jurisdiction that such provisions are invalid, or (c) in any other circumstance or manner permitted by the Rule.

Section 22. Book-Entry-Only System. The definitive Bonds shall be initially issued in the name of Cede & Co. (DTC's partnership nominee), as Owner of the Bonds, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial Owners of definitive Bonds will not receive physical delivery of Bond certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bond certificate. No person shall acquire or hold any beneficial interest in any Bond representing a portion of the principal amount of such Bond which is other than \$5,000 or an integral multiple thereof.

Replacement definitive Bonds may be issued directly to beneficial Owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the Commissioners Court and the Paying Agent/Registrar); or (ii) the Commissioners Court has advised DTC of its determination (which determination is conclusive as to DTC and beneficial Owners of the Bonds) that DTC is incapable of discharging its duties as securities depository for the Bonds; or (iii) the County has determined (which determination is conclusive as to

DTC and the beneficial Owners of the Bonds) that the interests of the beneficial Owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the County shall use its best efforts to attempt to locate another qualified securities depository. If the County fails to locate another qualified securities depository to replace DTC, the County shall cause to be executed, authenticated, and delivered replacement Bonds, in certificate form, to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the County. In the event that the County makes the determination described in (iii) above and has made provisions to notify the beneficial Owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the County. The County undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the County to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Order of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to own the Bonds, all references herein to DTC shall be of no further force or effect.

Section 23. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the proceeds of ad valorem taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Owners of the Bonds a security interest in such pledge, the County agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 24. Further Procedures. The Authorized Representatives, and all other officers, employees, attorneys, and agents of the County, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the County, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Bonds, the Purchase Contract, and the Official Statement. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the County Judge and the County Clerk of the County and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office.

Section 25. Attorney General Examination Fee. The County recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of the proceedings authorizing the Bonds and that such fee is to be calculated as provided in said Section 1202.004. Bond Counsel is

accommodating the County by paying such fee upon such submission of such transcript. Officials of the County are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The County is also authorized to reimburse the fund used for such repayment with proceeds of the Bonds.

Section 26. Miscellaneous Provisions. (a) Titles Not Restrictive. The titles assigned to the various sections of this Order are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Order.

(b) Inconsistent Provisions. 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, and the provisions of this Order shall be and remain controlling as to the matters prescribed herein.

(c) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order shall nevertheless be valid and the Commissioners Court hereby declares that this Order would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(d) Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas.

(e) Open Meeting. The Commissioners Court officially finds and determines that the meeting at which this Order is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

(f) Effective Date. This order shall be in force and effect from and after its final passage, and it is so ordered.

(The remainder of this page intentionally left blank.)

PASSED AND APPROVED this 28th day of February, 2012.

HAYS COUNTY, TEXAS

County Judge

ATTEST:

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

(SEAL OF COMMISSIONERS COURT)

SIGNATURE PAGE TO REFUNDING ORDER

SCHEDULE I

ALL OUTSTANDING BONDS ISSUED BY THE COUNTY, INCLUDING THE FOLLOWING

[General Obligation Refunding and Improvement Bonds, Series 2003]
Unlimited Tax Road Bonds, Series 2004
Certificates of Obligation, Series 2005
Unlimited Tax Road Bonds, Series 2006
Limited Tax Bonds, Series 2007
Limited Tax Bonds, Series 2008
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2009
Pass-Through Toll Revenue and Limited Tax Bonds, Series 2009
Unlimited Tax Road Bonds, Series 2009
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2010
Unlimited Tax Refunding Bonds, Series 2010
Limited Tax Bonds, Series 2011
Pass-Through Toll Revenue and Unlimited Tax Bonds, Series 2011
Unlimited Tax Refunding Bonds, Series 2011

EXHIBIT A
FORM OF APPROVAL CERTIFICATE

APPROVAL CERTIFICATE

[Bracketed text to be included if Premium Capital Appreciation Bonds are issued.]

The undersigned, being an Authorized Representative of the Hays County, Texas (the "County"), pursuant to Section 1 of the Order adopted on February 28, 2012 (the "Order") authorizing the issuance of "HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS, SERIES _____" (the "Bonds") do hereby approve the following terms of the Bonds:

1. Capitalized terms not otherwise defined herein have the meaning assigned in the Order.

2. The Bonds are hereby sold and shall be delivered to _____ (the "Initial Purchaser") pursuant to the terms of the Purchase Contract, dated _____, 20__, between the County and the Initial Purchaser, for cash at a price of \$ _____ (being the par amount of the Bonds less an underwriting discount of \$ _____ less an original issue discount of \$ _____ [and plus a premium on the Premium Capital Appreciation Bonds of \$ _____]), according to the following terms:

a. The aggregate original principal amount of the [Current Interest] Bonds shall be \$ _____. [The aggregate original principal amount of the Premium Capital Appreciation Bonds shall be \$ _____.]

b. The [Current Interest] Bonds will be issued as serial Bonds dated _____ 20__ (the "Bond Date"), shall be numbered from R-1 upwards (except that the [Current Interest] Initial Bond shall be numbered I-1) and mature and bear interest from their Bond Date as follows:

Years of Stated Maturity (_____)	Principal Installments \$	Interest Rate %	Initial Yield	Price Amount \$
----------------------------------------	---------------------------------	-----------------------	------------------	-----------------------

The [Current Interest] Bonds shall bear interest at the rates set forth above from the later of the Bond Date, or the most recent Interest Payment Date to which interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, and shall be payable on _____, 20__ and semiannually thereafter on August 15 and February 15 until maturity or prior redemption.

[The Premium Capital Appreciation Bonds shall be numbered consecutively from RPCAB-1 upward (except that the Initial Premium Capital Appreciation Bond shall be numbered IPCAB-1) and shall mature and be payable on _____, 20__ in the years and in the aggregate Maturity Amount as set forth in the following schedule:

<u>Years of Stated</u> <u>Maturity</u>	<u>Original Principal</u> <u>Amount</u>	<u>Stated Maturity</u> <u>Amount</u>	<u>Stated Yields</u> <u>(%)*</u>
	\$	\$	%

*based on initial premium paid

[The Premium Capital Appreciation Bonds shall bear interest from the Delivery Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded semiannually on February 15 and August 15 of each year commencing _____, 20__, and payable, together with the principal amount thereof, in the manner provided in the FORM OF BOND set forth in the Bond Order, at the following rates per annum:

<u>Year</u>	<u>Interest Rate</u>
	%

Reference is hereby made to Exhibit A hereto, which sets forth the rounded original principal amounts at the Delivery Date for the Premium Capital Appreciation Bonds and the Accreted Value thereof (per \$5,000 payment at maturity), including the initial premium, if any, as of each February 15 and August 15, commencing _____, 20__, and continuing until the final maturity of the Premium Capital Appreciation Bonds. For any date other than February 15 or August 15, the Accreted Value of this Bond shall be determined by a straight line interpolation between the values for the applicable semiannual compounding dates (based on 30 day months).]

c. The [Current Interest] Bonds scheduled to mature on and after _____, 20__, shall be redeemable prior to their scheduled maturities, in whole or in part, at the option of the District, on _____, 20__, or on any date thereafter, in principal amounts of \$5,000 or any integral multiple thereof at the par value thereof plus accrued interest to the date of redemption.

d. [The Premium Capital Appreciation Bonds are not subject to redemption prior to Stated Maturity.]

e. The [Current Interest] Initial Bond [and the Initial Premium Capital Appreciation Bond] shall each be registered in the name of the Initial Purchaser.

3. The Bonds are in amounts sufficient together with certain other lawfully available funds of the District to refund the Refunded Obligations set forth in Exhibit B hereto and to pay the costs of issuing the Bonds. The Refunded Bonds are hereby called for redemption and shall be subject to redemption as set forth in the Notice of Redemption attached hereto as Exhibit C.

4. _____ is hereby designated as Escrow Agent.

5. The refunding will result in a net present value savings of approximately \$_____ or _____%. The net effective interest rate is _____%.

6. [Allocation of premium: \$_____ pay costs of issuance, \$_____ underwriters' discount, and the balance, if any, deposited into the Escrow Fund.]

[Signature page follows.]

EXECUTED AND DELIVERED this _____, 2012.

HAYS COUNTY, TEXAS

Authorized Representative

SIGNATURE PAGE TO APPROVAL CERTIFICATE

EXHIBIT A

\$[par amount of PCAB] - [] INSURED
HAYS COUNTY, TEXAS
LIMITED TAX REFUNDING BONDS, SERIES []

Accreted Value Table

Delivery Date: []/[]/[]

[TO COME]

Note: PCAB Accretion Based on Discounting the Maturity Value of the PCAB from the
Maturity Date to the Interest Payment Date, Using the Stated Yield to Maturity

EXHIBIT B
REFUNDED OBLIGATIONS

EXHIBIT C
NOTICE OF REDEMPTION

EXHIBIT B
FORM OF ESCROW AGREEMENT

ESCROW AGREEMENT

THIS ESCROW AGREEMENT, dated as of [____], 20[] (herein, together with any amendments or supplements hereto, called this "Agreement") is entered into by and between HAYS COUNTY, TEXAS (herein called the "Issuer") and [____], having an office in [____], Texas, as escrow agent (herein, together with any successor in such capacity, called the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit A attached hereto and made a part hereof.

WITNESS:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations (the "Refunded Obligations") described in the Verification Report of Grant Thornton LLP (the "Report") relating to the Refunded Obligations, attached hereto as Exhibit B and made a part hereof; and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with any place of payment (paying agent) for any of the Refunded Obligations, or with a trust company or commercial bank that does not act as a depository for the Issuer, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations or trust company or commercial bank with respect to the safekeeping, investment, administration, and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent may agree, provided that such deposits may be invested only in direct obligations of the United States of America, including obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, and which may be in book entry form, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, the Escrow Agent is a trust company or commercial bank and does not act as depository for the Issuer, and this Agreement constitutes an escrow agreement of the kind authorized and required by Chapter 1207; and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the Paying Agent the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the "Hays County, Texas Limited Tax Refunding Bonds, Series [____]" (the "Refunding Obligations") have been issued, sold, and delivered for the purpose, among others, of obtaining

the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, if applicable, shall be applied to purchase certain direct obligations of the United States of America (hereinafter defined as the "Escrowed Securities") for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement and to establish a beginning cash balance (if needed) in such Escrow Fund; and

WHEREAS, the Escrowed Securities shall mature and the interest thereon shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the Escrow Fund, will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their maturity dates or dates of redemption; and

WHEREAS, to facilitate the receipt and transfer of proceeds of the Escrowed Securities, particularly those in book entry form, the Issuer desires to establish the Escrow Fund at the principal corporate trust office of the Escrow Agent.

NOW, THEREFORE, in consideration of the mutual undertakings, promises, and agreements herein contained, the sufficiency of which hereby are acknowledged, and to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I. DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Escrowed Securities" means the direct noncallable, not pre-payable United States Treasury obligations and obligations the due timely payment of which is unconditionally guaranteed by the United States of America described in the Report or cash or other direct obligations of the United States of America substituted therefor pursuant to Article IV of this Agreement.

Section 1.02. Other Definitions. The terms "Agreement," "Issuer," "Escrow Agent," "Refunded Obligations," "Refunding Obligations," "Report," and "Paying Agent," when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof

and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II. DEPOSIT OF FUNDS AND ESCROWED SECURITIES IN THE ESCROW FUND

Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds and Escrowed Securities described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III. CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special fund and irrevocable escrow to be known as the "Hays County, Texas Limited Tax Refunding Bonds, Series [] Escrow Fund" (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds and the Escrowed Securities described in the Report. Such deposit, all proceeds therefrom, and all cash balances from time to time on deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balances from time to time on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity or redemption dates and interest thereon to such maturity or redemption dates in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations as such interest comes due and the principal of the Refunded Obligations as the Refunded Obligations mature or are redeemed, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the Escrow Fund shall be insufficient to transfer the amounts required by the Paying Agent to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund, the Escrowed Securities, and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and

other assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof, and all other assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as an Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts, or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV. LIMITATION ON INVESTMENTS

Section 4.01. General Limitations. Except as provided in Sections 3.02, 4.02, 4.03, and 4.04 hereof, the Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder, or to make substitutions of the Escrowed Securities, or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 4.02. Reinvestment of Certain Cash Balances in Escrow by Escrow Agent. In addition to the Escrowed Securities listed in the Report, the Escrow Agent shall reinvest cash balances shown in the Report in United States Treasury Obligations – State and Local Government Series with an interest rate equal to 0%, to the extent such Obligations are available from the Department of the Treasury. All such re-investments shall be made only from the portion of cash balances derived from the maturing principal of and interest on Escrowed Securities that are United States Treasury Certificates of Indebtedness, Notes, or Bonds – State and Local Government Series. All such re-investments shall be acquired on and shall mature on the dates shown on the Report.

Section 4.03. Substitutions and Reinvestments. At the direction of the Issuer, the Escrow Agent shall reinvest cash balances representing receipts from the Escrowed Securities, make substitutions of the Escrowed Securities or redeem the Escrowed Securities and reinvest the proceeds thereof or hold such proceeds as cash, together with other money or securities held in the Escrow Fund provided that the Issuer delivers to the Escrow Agent the following:

(1) an opinion of an independent certified public accountant or firm of certified public accountants that after such substitution or reinvestment the principal amount of the securities in the Escrow Fund (which shall be noncallable, not pre-payable direct obligations of the United States of America), together with the interest thereon and other available money, will be sufficient to pay, without further investment or reinvestment, as the same become due in accordance with the Report, the principal of, interest on and premium, if any, on the Refunded Obligations which have not previously been paid, and

(2) opinion of nationally recognized municipal bond counsel to the effect that (a) such substitution or reinvestment will not cause the Refunded Obligations to be “arbitrage bonds” within the meaning of section 103 of the Code or the regulations thereunder in effect on the date of such substitution or reinvestment, or otherwise make the interest on the Refunded Obligations subject to federal income taxation, and (b) such substitution or reinvestment complies with the

Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations.

The Escrow Agent shall have no responsibility or liability for loss or otherwise with respect to investments made at the direction of the Issuer.

Section 4.04. Substitution for Escrowed Securities. Concurrently with the initial deposit by the Issuer with the Escrow Agent, but not thereafter, the Issuer, at its option, may substitute cash or non-interest-bearing direct noncallable and not pre-payable obligations of the United States Treasury (i.e., Treasury obligations which mature and are payable in a stated amount on the maturity date thereof, and for which there are no payments other than the payment made on the maturity date) (the "Substitute Obligations") for non-interest bearing Escrowed Securities, if any, but only if such Substitute Obligations

(a) are in an amount, and/or mature in an amount, that is equal to or greater than the amount payable on the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted,

(b) mature on or before the maturity date of the obligation listed in the Report for which such Substitute Obligation is substituted, and

(c) produce the amount necessary to pay the interest on and principal of the Refunded Obligations, as set forth in the Report, as verified by a certified public accountant or a firm of certified public accountants.

If, concurrently with the initial deposit by the Issuer with the Escrow Agent, any such Substitute Obligations are so substituted for any Escrowed Securities, the Issuer may, at any time thereafter, substitute for such Substitute Obligations the same Escrowed Securities for which such Substitute Obligations originally were substituted.

Section 4.05. Arbitrage. The Issuer hereby covenants and agrees that it shall never request the Escrow Agent to exercise any power hereunder or permit any part of the money in the Escrow Fund or proceeds from the sale of Escrowed Securities to be used directly or indirectly to acquire any securities or obligations if the exercise of such power or the acquisition of such securities or obligations would cause any Refunding Obligations or Refunded Obligations to be an "arbitrage bond" within the meaning of the Code.

ARTICLE V. APPLICATION OF CASH BALANCES

Except as provided in Sections 3.02, 4.02, 4.03, and 4.04 hereof, no withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI. RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations, and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, credits to the Escrow Fund as a result of interest

payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII. CONCERNING THE PAYING AGENT AND ESCROW AGENT

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors of the Escrowed Securities to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable after having actual knowledge of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the express terms and provisions of this Agreement and no implied covenants or obligations shall be read into this Agreement against the Escrow Agent.

The Escrow Agent makes no representations as to the value, conditions, or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to risk, use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In

determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time. The Escrow Agent may conclusively rely and shall be fully protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, consent, order, approval or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel and the advice or any opinion of counsel shall be full and complete authorization and protection in respect of any action taken or omitted by it hereunder in good faith and in accordance with such advice or opinion of counsel. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians, or nominees appointed with due care.

The Escrow Agent agrees to accept and act upon instructions or directions pursuant to this Agreement sent by unsecured e-mail, facsimile transmission or other similar unsecured electronic methods, provided, however, that, the Escrow Agent shall have received an incumbency certificate listing persons designated to give such instructions or directions and containing specimen signatures of such designated persons, which such incumbency certificate shall be amended and replaced whenever a person is to be added or deleted from the listing. If the Issuer elects to give the Escrow Agent e-mail or facsimile instructions (or instructions by a similar electronic method) and the Escrow Agent in its discretion elects to act upon such instructions, the Escrow Agent's understanding of such instructions shall be deemed controlling. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction. The Issuer agrees to assume all risks arising out of the use of such electronic methods to submit instructions and directions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized instructions, and the risk of interception and misuse by third parties.

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount of \$[], the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) Upon receipt of the aforesaid specific sums stated in subsection (a) of this Section 7.03 for Escrow Agent fees, expenses, and services, the Escrow Agent shall acknowledge such receipt to the Issuer in writing.

(c) To the extent permitted by law, the Issuer agrees to indemnify the Escrow Agent and its officers, directors, agents, and employees for, and hold it and them harmless against, any loss, liability, claim, cost, suit, judgment, or expense (including, without limitation, legal fees and expenses) incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. This Section 7.03(c) shall survive the termination of this Agreement and the earlier removal or resignation of the Escrow Agent.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 days of the occurrence of such meaning or the Escrow Agent's giving notice of resignation, a successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact or the Escrow Agent may petition a court of competent jurisdiction for the appointment of a successor. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be: (i) a corporation, bank, or banking association organized and doing business under the laws of the United States or the State of Texas; (ii) be authorized under such laws to exercise corporate trust powers; (iii) be authorized under Texas law to act as an escrow agent; (iv) have its principal office and place of business in the State of Texas; (v) have a combined capital and surplus of at least \$5,000,000; and (vi) be subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge, and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than 60 days, written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations by a court or by the Issuer as herein provided and such successor Escrow Agent shall be qualified under Chapter 1207 and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent. Any bank, corporation or association into which the Escrow Agent may be merged or converted to with which it may be consolidated, or any bank, corporation, or association resulting from any merger, conversion, or consolidation to which the Escrow Agent shall be a party, or any bank, corporation, or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

If the Escrow Agent resigns, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee hereunder.

Section 7.05. Paying Agent for Refunded Obligations. The Paying Agent has heretofore contracted with the Issuer to act as paying agent relative to the Refunded Obligations and has received

notice of redemption of the Refunded Obligations, and will continue to fully perform and carry out all of the normal and customary duties as paying agent for the Refunded Obligations, for so long as the same remain unpaid, including, but not limited to, making payments of interest as the same shall become due and principal, at maturity or upon prior redemption, to the owners and holders of the Refunded Obligations, in accordance with the respective orders of the Issuer authorizing the respective issuances of the Refunded Obligations, and to apply all funds transferred to it pursuant to Section 3.02 hereof solely for the purpose of paying the principal of and interest on the Refunded Obligations in the manner provided herein; provided, however, that in the event that the Paying Agent, acting in its capacity as paying agent relative to the Refunded Obligations, is requested to perform any extraordinary services in such respect and, as a result thereof, any other fees, expenses, or charges of any kind or character become due and payable by the Issuer to the Paying Agent, as paying agent relative to the Refunded Obligations, the Issuer agrees to pay to the Paying Agent, from a lawfully available source (specifically excluding funds on deposit in the Escrow Fund) reasonable fees for such extraordinary services performed and to reimburse the Bank for expenses incurred in connection with such extraordinary services.

ARTICLE VIII. MISCELLANEOUS

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit A attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten days prior notice thereof.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective Date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report and the Escrowed Securities.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be

in writing and signed by the parties thereto. No such amendment shall materially adversely affect the rights of the holders of the Refunded Obligations as evidenced by an opinion of counsel delivered to the Escrow Agent.

(Remainder of page intentionally left blank.)

Section 8.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original for all purposes, and all counterparts shall together constitute one and the same instrument.

EXECUTED as of the date first written above.

HAYS COUNTY, TEXAS

By: _____
County Judge

ATTEST:

By: _____
County Clerk and Ex-Officio Clerk
of the Commissioners Court of Hays County

(SEAL)

[_____]
As Escrow Agent hereunder

By: _____

Title: _____

ATTEST:

By: _____

Title _____

SIGNATURE PAGE OF ESCROW AGREEMENT

EXHIBIT A

Addresses of the Issuer and Escrow Agent

ISSUER

Hays County, Texas
712 S. Stagecoach Trail, Ste. 1071
San Marcos, Texas 78666
Attention: County Auditor

ESCROW AGENT

Attention: Corporate Trust Department

EXHIBIT B

Cash Flow and Verification Report

[TO COME]

EXHIBIT C

FORM OF
PAYING AGENT/REGISTRAR AGREEMENT

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of [____], 20[] (this "Agreement"), by and between the HAYS COUNTY, TEXAS (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., Dallas, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "Hays County, Texas Limited Tax Refunding Bonds, Series []" (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchaser thereof as provided in the Order (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal of and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Order.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Approved Certificate” means one or more approval certificates approved by an Authorized Representative in connection with the issuance of a series of Securities issued under the Order.

“Authorized Representative” means any of the County Judge, the County Clerk, the County Auditor and/or the County Attorney.

“Bank Office” means the designated principal corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Bank Principal Payment Office” means Dallas, Texas.

“Board” means the Commissioners Court of Hays County, Texas.

“Fiscal Year” means the fiscal year of the Issuer, ending September 30.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“Issuer Request” means a written request or order signed in the name of the Issuer by the Authorized Representative of the Issuer, any one or more of said officials, delivered to the Bank.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the County Clerk of the Commissioners Court of Hays County, Texas, or any other officer of the Issuer, together with any Approval Certificate relating thereto, and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government, or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to the Order).

“Redemption Date” when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Principal Payment Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates. The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

ARTICLE IV. REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Principal Payment Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days

after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities. The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Holders. The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any Person other than an authorized officer or employee of the Issuer or to another Person, upon receipt of an Issuer Request, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Securities. All Securities surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Securities previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Bank. All cancelled Securities held by the Bank shall be destroyed, and evidence of such destruction furnished to the Issuer at such reasonable intervals as it determines subject to applicable rules and regulations of the Securities and Exchange Commission.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The Issuer hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing

by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07. Transaction Information to Issuer. The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Transfer of Funds. The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent.

Section 5.03. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by Issuer.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

Section 5.04. Recitals of Issuer. The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the Issuer, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.05. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.06. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts or checks drawn by the Issuer and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Resolution to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be paid by the Bank to the issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.07. Indemnification. To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties

hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.08. Interpleader. The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.09. Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.10. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the Issuer, to report to the owners of the Certificates and the Internal Revenue Service (i) the amount of "reportable payments", if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Certificates and (ii) the amount of interest or amount treating as interest on the Certificates and required to be included in gross income of the owner thereof.

Section 5.11. Merger, Conversion, Consolidation, or Succession. Any corporation into which the Paying Agent/Registrar may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Paying Agent/Registrar shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Paying Agent/Registrar shall be the successor of the Paying Agent/Registrar hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

(Remainder of this page intentionally left blank)

Section 6.11. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

**THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,**

Attest:

By _____

Title _____

(BANK SEAL)

By _____

Title _____

Address: 2001 Bryan Street, 11th Floor
Dallas, Texas 75201

Attest:

HAYS COUNTY, TEXAS

By _____

County Clerk and Ex-Officio Clerk
of the Commissioners Court of
Hays County

(ISSUER SEAL)

By _____

County Judge
Address: 712 S. Stagecoach Trail, Ste. 2008
San Marcos, Texas 78666

SCHEDULE A

✓ Paying Agent/Registrar Fee Schedule

EXHIBIT D

FORM OF NOTICE OF REDEMPTION

To the Holders of
THE FOLLOWING NAMED SERIES OF
HAYS COUNTY, TEXAS

_____, **SERIES** _____
DATED _____, _____

The HAYS COUNTY, TEXAS (the "County"), acting pursuant to the provisions of the Order of the Commissioners Court of the County, adopted on _____, 20__, which provided for the issuance of the above captioned obligations (the "Bonds"), has refunded portions of the following outstanding maturities of the Bonds by making an irrevocable deposit with _____, the Paying Agent/Registrar for the Bonds, in an amount sufficient to provide for the payment of the principal of and interest on the Bonds. The County has effectuated the redemption by irrevocably calling the Bonds on _____, 20__ at a price of par, plus accrued interest. As a result, the Bonds are now secured under an Escrow Agreement, dated as of _____, 20__, between the County and _____, Texas.

MATURITY DATES (February 15)	YIELD	PRESENT CUSIP NUMBERS	PRINCIPAL AMOUNT REDEEMED
-----------------------------------------------	--------------	--------------------------------------	------------------------------------------

TOTAL

*Represents a Term Bond

In compliance with current federal tax law and broker reporting requirements, the Paying Agent is required to withhold 31% of the principal amount of your proceeds unless it is provided with your Social Security Number or federal employer identification number properly certified.

Any questions regarding this notice may be addressed to _____.

[INSERT ADDRESS]

In compliance with current federal tax law and broker reporting requirements, the Paying Agent is required to withhold 31% of the principal amount of your proceeds unless it is provided with your Social Security Number or federal employer identification number properly certified.

EXHIBIT E

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 21 of this Order.

Annual Financial Statements and Operating Data. With respect to the County, the financial information and operating data to be provided annually in accordance with such Section are as specified (and under the headings of the Official Statement referred to) below:

(a) the portions of the audited financial statements of the County included in the Official Statement, but for the most recently concluded fiscal year, and, to the extent that such statements are not completed and available, unaudited financial statements for such fiscal year; and

(b) [the tables or schedules in the Official Statement under the headings "OFFICIAL STATEMENT SUMMARY - Selected Financial Information," "INVESTMENTS - Current Investments," "DEBT INFORMATION," "TAX INFORMATION," - Tables 1-8 and "FINANCIAL INFORMATION," - Table 11, and in Appendix B.]²

Accounting Principles. The accounting principles, with respect to the County, referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above, as such principles may be changed from time to time to comply with state law or regulation.

² To be completed when Official Statement is prepared.

CERTIFICATE OF COUNTY CLERK

The undersigned County Clerk of Hays County, Texas (the "County") hereby certify as follows:

1. The Commissioners Court of the County (the "Commissioners Court") convened in regular session, open to the public, on February 28, 2012, at the meeting place designated in the notice (the "Meeting"), and the roll was called of the members, to wit:

Bert Cobb, M.D.	County Judge
Debbie Ingalsbe	Commissioner, Precinct No. 1
Mark Jones	Commissioner, Precinct No. 2
Will Conley	Commissioner, Precinct No. 3
Ray Whisenant	Commissioner, Precinct No. 4

All members of the Commissioners Court were present at the Meeting, except _____, thus constituting a quorum. Whereupon among other business, the following was transacted at the Meeting: a written

ORDER AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS; DELEGATING THE AUTHORITY TO CERTAIN COUNTY OFFICIALS AND COUNTY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATED TO THE SALE OF THE BONDS; AUTHORIZING AN ESCROW AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; AND OTHER MATTERS RELATED THERETO

(the "Order") was duly introduced for the consideration of the Commissioners Court. After presentation and discussion of the Order, a motion was made by Commissioner _____ that the Order be passed and adopted. The motion was seconded by Commissioner _____ and carried by the following vote:

FOR: _____ AGAINST: _____ ABSTENTIONS: _____

all as shown in the official Minutes of the Commissioners Court for the Meeting.

2. A true, full, and correct copy of the Order adopted at the Meeting is attached to and follows this Certificate; the Order has been duly recorded in the Commissioners Court's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Commissioners Court's minutes of the Meeting pertaining to the adoption of the Order; the persons named in the above and foregoing paragraph are duly chosen, qualified, and acting officers and members of the Commissioners Court as indicated therein; each of the officers and members of the Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Order would be introduced and considered for adoption at the Meeting and each of such officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this February 28, 2012.

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

(COMMISSIONERS COURT SEAL)

EXECUTION PAGE TO CERTIFICATE FOR ORDER

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205

AGENDA ITEM: Discussion and possible action to approve a resolution establishing the County's intention to reimburse itself for the prior expenditure of funds from the proceeds of tax-exempt obligations to be issued by the County for authorized purposes; and authorizing other matters related thereto.

CHECK ONE: **CONSENT** **X ACTION** **EXECUTIVE SESSION**
 WORKSHOP **PROCLAMATION** **PRESENTATION**

PREFERRED MEETING DATE REQUESTED: 2/28/12

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY:

SPONSORED BY: COBB

The current contemplated issuance will be a principal amount not to exceed \$4.5 million.

The County's financial manager and bond counsel will be in court to provide further details.

RESOLUTION ESTABLISHING THE COUNTY'S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR EXPENDITURE OF FUNDS FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE COUNTY FOR AUTHORIZED PURPOSES; AND AUTHORIZING OTHER MATTERS RELATED THERETO

WHEREAS, the Commissioners Court (the "Governing Body") of Hays County, Texas (the "Issuer") has entered into or will enter into various contracts pertaining to the expenditure of lawfully available funds of the Issuer to finance the costs associated with the projects described in Exhibit A (collectively, the "Projects"); and

WHEREAS, the provisions of Chapter 1201, Texas Government Code, as amended, provide that the proceeds from the sale of obligations issued to finance the acquisition, construction, equipping, or furnishing of any project for facilities, such as the Projects, may be used to reimburse the Issuer, for costs attributable to such project or facilities paid or incurred before the date of issuance of such obligations; and

WHEREAS, Treasury Regulation Section 1.150-2 (the "Regulation") establishes when the proceeds of obligations are spent and therefore are no longer subject to various federal income tax restrictions contained in the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the Issuer intends to reimburse itself, within 18 months from the later of the date of expenditure or the date the property financed is placed in service (but in no event more than three years after the original expenditure is paid), for the prior lawful capital expenditure of funds from the proceeds of one or more series of tax-exempt obligations (the "Obligations") that the Issuer currently contemplates issuing in the principal amount of \$[] as its "Tax Notes, Series 2012" to finance a portion of the costs of the Projects; and

WHEREAS, under the Regulation, to fund such reimbursement with proceeds of the Obligations, the Issuer must declare its expectation ultimately to make such reimbursement before making the expenditures; and

WHEREAS, the Issuer finds and determines that the reimbursement for the prior expenditure of fund of the Issuer is not inconsistent with the Issuer's budgetary and financial circumstances; and

WHEREAS, the Governing Body hereby finds and determines that the adoption of this Resolution is in the best interest of the citizens of the Issuer;

NOW, THEREFORE, BE IT RESOLVED BY THE COMMISSIONERS COURT OF HAYS COUNTY, TEXAS THAT:

Section 1. This Resolution is a declaration of intent to establish the Issuer's reasonable, official intent under the Regulation to reimburse itself from the proceeds of the Obligations for any capital expenditures previously incurred (not more than 60 days prior to the date hereof) with respect to the Projects from Issuer's General Fund or other lawfully available funds of the Issuer.

Section 2. The Issuer intends to issue the Obligations and allocate within 30 days after the date of issue of the Obligations the proceeds wherefrom to reimburse the Issuer for prior lawful expenditures with respect to the Project in a manner to comply with the Regulation.

Section 3. The reimbursement expenditure will be a type properly chargeable to a capital account (or would be so chargeable with a proper election) under general federal income tax principles.

Section 4. The Issuer intends to otherwise comply with all the requirements contained in the Regulation.

Section 5. This Resolution may be relied upon by the appropriate officials at the Office of the Attorney General of the State of Texas, and establishes compliance by the Issuer with the requirements of Texas law and the Regulation.

Section 6. With respect to the proceeds of the Obligations allocated to reimburse the Issuer for prior expenditures, the Issuer shall not employ an abusive device under Treasury Regulation 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of replacement proceeds, as defined in Treasury Regulation 1.148-1, of the Obligations or another issue of tax-exempt obligations.

Section 7. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

Section 8. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extents of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

Section 9. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 10. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Resolution would have been enacted without such invalid provision.

Section 11. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, Texas Government Code, as amended.

* * *

PASSED AND APPROVED this 28th day of February, 2012.

HAYS COUNTY, TEXAS

County Judge

ATTEST:

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

(SEAL OF COMMISSIONERS COURT)

EXECUTION PAGE TO RESOLUTION FOR REIMBURSEMENT

EXHIBIT A

PROJECT DESCRIPTION

Hays County, Texas (the "County") intends to use the proceeds of the tax notes to be designated and known as the "HAYS COUNTY, TEXAS TAX NOTES, SERIES 2012" (the "Notes") for the purpose of making public improvements and for other public purposes, including but not limited to, (i) constructing, acquiring, renovating, improving, and equipping a County precinct building, as well as any necessary parking, drainage, sidewalks, street, County road, landscaping, utility, lighting, and other improvements incidental thereto, and acquiring property rights necessary therefore, (ii) the purchase of materials supplies, equipment, machinery, land, right of way for authorized needs and purposes relating to the public improvements, and (iii) the payment of professional service relating to the construction, design, project management, and financing of the public improvements (including, but not limited to, financial advisory, legal, architectural, and engineering).

CERTIFICATE OF COUNTY CLERK

The undersigned County Clerk of Hays County, Texas (the "County") hereby certify as follows:

1. The Commissioners Court of the County (the "Commissioners Court") convened in regular session, open to the public, on February 28, 2012, at the meeting place designated in the notice (the "Meeting"), and the roll was called of the members, to wit:

Bert Cobb, M.D.	County Judge
Debbie Ingalsbe	Commissioner, Precinct No. 1
Mark Jones	Commissioner, Precinct No. 2
Will Conley	Commissioner, Precinct No. 3
Ray Whisenant	Commissioner, Precinct No. 4

All members of the Commissioners Court were present at the Meeting, except _____, thus constituting a quorum. Whereupon among other business, the following was transacted at the Meeting: a written

RESOLUTION ESTABLISHING THE COUNTY'S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR EXPENDITURE OF FUNDS FROM THE PROCEEDS OF TAX-EXEMPT OBLIGATIONS TO BE ISSUED BY THE COUNTY FOR AUTHORIZED PURPOSES; AND AUTHORIZING OTHER MATTERS RELATED THERETO

(the "Resolution") was duly introduced for the consideration of the Commissioners Court. After presentation and discussion of the Resolution, a motion was made by Commissioner _____ that the Resolution be passed and adopted. The motion was seconded by Commissioner _____ and carried by the following vote:

FOR: _____ AGAINST: _____ ABSTENTIONS: _____

all as shown in the official Minutes of the Commissioners Court for the Meeting.

2. A true, full, and correct copy of the Resolution adopted at the Meeting is attached to and follows this Certificate; the Resolution has been duly recorded in the Commissioners Court's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Commissioners Court's minutes of the Meeting pertaining to the adoption of the Resolution; the persons named in the above and foregoing paragraph are duly chosen, qualified, and acting officers and members of the Commissioners Court as indicated therein; each of the officers and members of the Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Resolution would be introduced and considered for adoption at the Meeting and each of such officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this February 28, 2012.

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

(COMMISSIONERS COURT SEAL)

EXECUTION PAGE TO CERTIFICATE FOR RESOLUTION

Agenda Item Request Form

Hays County Commissioners Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: Discussion and possible action to authorize the County Judge to execute a Change Order with Angel Brothers related to improvements on RM 2325.

TYPE OF ITEM: Action

PREFERRED MEETING DATE REQUESTED: February 21, 2012

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED: 2008 Priority Road Bond Program

REQUESTED BY: Precinct 3 Commissioner Will Conley

SPONSORED BY: Precinct 3 Commissioner Will Conley

SUMMARY: Change Order - RM 2325 Fischer Store Rd. to Carney Lane – TxDOT CSJ 0285-02-012

Contract Award Amount	\$ \$3,278,642.37
Change Order #2 Amount	\$ 70,102.21 (2.1% of Award)
New Contract Amount	\$ 3,348,744.58
County Project Budget	\$ \$4,533,000.00
County Budget Remaining	\$ 1,184,255.42 (Under budget)
Award Contract Length	205 days. No adjustment to contract length.

Reason for Change Order:

The change order is required for design changes requested by TxDOT shortly after the project was bid. A limited amount of soil retention blankets and rock berms have been required to assist in erosion control. This has been necessitated by the extreme drought which occurred last summer and was unforeseen at the time project plans were being developed.

It was also determined by TxDOT that a modified MBGF detail with a concrete foundation would provide added safety to the travelling public and improve long term maintenance. In addition, the use of low profile traffic barrier was also requested to enhance safety to the travelling public during the construction of the above mentioned MSE wall and concrete rail foundation.

Length of bore casing beneath the pavement for future traffic signal and utilities were extended at two intersections. Casings at the first intersection were lengthened to extend the casings beyond an underground utility duct bank that was installed after the design survey for the project was performed. Length of bore casing at the second location was designed to extend to the original ROW of RM 2325. TxDOT requested the casings be extended at this location to the newly acquired ROW limits. These bore casing extensions also relocated the bore pits outside of the ROW, enhancing safety during construction.

DESCRIPTION OF Item: Discussion and possible action to authorize the County Judge to execute a Change Order with Angel Brothers related to improvements on RM 2325

PREFERRED MEETING DATE REQUESTED: February 28, 2011

COUNTY AUDITOR

AMOUNT: \$ 70,102.21

LINE ITEM NUMBER: 027-803-96-760.5611_400

COUNTY PURCHASING GUIDELINES FOLLOWED: Yes

PAYMENT TERMS ACCEPTABLE: Yes

COMMENTS:

Bill Herzog

SPECIAL COUNSEL

CONTRACT TERMS ACCEPTABLE: _____

COMMENTS:

COUNTY JUDGE

Signature Required if Approved

DATE CONTRACT SIGNED: _____

TEXAS DEPARTMENT OF TRANSPORTATION

CHANGE ORDER NUMBER: 2

Advance Funding Agreement (Third Party Funding) Information

This form is used when the subject change order involves funding by a source other than TxDOT/U.S. DOT.

1. Outside funding provided by:

Hays County

(Outside Entity's Legal Name)

2. Type of outside funding agreement for this change:

☒ Existing ☐ Amended ☐ New
[Check one]

3. Indicate the type and amount of funding:

☐ Fixed Price (Lump Sum) (Estimated Amount \$70,102.21)

☒ Actual Cost

(a) Contract Items (Bid Items):

\$70,102.21

(b) Administrative*:

0.00% =

\$0.00

(c) Indirect Cost**:

(a + b) x =

\$0.00

TOTAL

\$70,102.21

Use as needed:

I hereby approve the modifications covered by Form CO for this Change Order and agree to finance the additional costs, if any, as reflected by this form.

Advance Funding Date

By

Type/Printed Name

Typed/Printed Title

CCSJ:	<u>0285-02-012</u>
Project:	<u>CC 285-2-12</u>
Highway:	<u>RM 2325</u>
County:	<u>Hays</u>
District:	<u>AUSTIN</u>
Contract Number:	<u>04113228</u>

CONTRACT ID 028502012

CONTRACT ITEMS

PROJECT NBR 028502012 (CC 285-2-12 NOT ELIGIBLE FOR FEDERAL PARTICIPATION)

CATG NBR	LINE ITEM	ITEM CODE	SP NBR	DESCRIPTION	UNIT	UNIT PRICE	ORIG + PREV REV QTY	QTY THIS CO	NEW QTY	AMOUNT THIS CO
001	0080	01052030 CO DESCR	000	REMOVING STAB BASE & ASPH PAV (8"-14") CO 2 Revised Plans, CTB, SRB	SY	5.25000	3,507.610	-52,000	3,455.610	-\$273.00
001	0116	01692001 CO DESCR		SOIL RETENTION BLANKETS (CL 1) (TY A) CO 2 Revised Plans, CTB, SRB	SY	0.95000	0.000	10,000,000	10,000,000	\$9,500.00
001	0187	04202006 CO DESCR		CL C CONC (RAIL FOUNDATION) CO 2 Revised Plans, CTB, SRB	CY	607.87000	0.000	67,000	67,000	\$40,727.29
001	0200	04322039 CO DESCR	000	RIPRAP (MOW STRIP)(4 IN) CO 2 Revised Plans, CTB, SRB.	CY	310.00000	80.000	-26,000	54,000	-\$8,060.00
001	0210	04642003 CO DESCR	003	RC PIPE (CL III)(18 IN) CO 2 Revised Plans, CTB, SRB	LF	43.00000	354.000	-36,000	318,000	-\$1,548.00
001	0215	04642005 CO DESCR	003	RC PIPE (CL III)(24 IN) CO 2 Revised Plans, CTB, SRB	LF	70.00000	795.000	8,000	803,000	\$560.00
001	0220	04642007 CO DESCR	003	RC PIPE (CL III)(30 IN) CO 2 Revised Plans, CTB, SRB	LF	98.00000	192.000	63,000	255,000	\$6,174.00
001	0230	04662095 CO DESCR	000	HEADWALL (CH-FW-30)(DIA= 24 IN) CO 2 Revised Plans, CTB, SRB	EA	2,400.00000	4.000	-2,000	2,000	-\$4,800.00
001	0232	04662110 CO DESCR		HEADWALL (CH-FW-45)(DIA= 24 IN) CO 2 Revised Plans, CTB, SRB	EA	2,400.00000	0.000	1,000	1,000	\$2,400.00
001	0255	04672213 CO DESCR	000	SET (TY II)(30 IN)(RCP)(3:1)(C) CO 2 Revised Plans, CTB, SRB	EA	1,300.00000	4,000	-3,000	1,000	-\$3,900.00
001	0260	04672224 CO DESCR	000	SET (TY II)(24 IN)(RCP)(4:1)(C) CO 2 Revised Plans, CTB, SRB	EA	750.00000	2,000	3,000	5,000	\$2,250.00
001	0265	04672286 CO DESCR	000	SET (TY II)(18 IN)(RCP)(6:1)(P) CO 2 Revised Plans, CTB, SRB	EA	775.00000	10,000	-2,000	8,000	-\$1,550.00
001	0267	04672288 CO DESCR		SET (TY II)(24 IN)(RCP)(6:1)(P) CO 2 Revised Plans, CTB, SRB	EA	1,060.50000	0.000	2,000	2,000	\$2,121.00
001	0268	04672290 CO DESCR		SET (TY II)(30 IN)(RCP)(6:1)(P) CO 2 Revised Plans, CTB, SRB	EA	2,121.00000	0.000	4,000	4,000	\$8,484.00
001	0275	04672358 CO DESCR	000	SET (TY II)(24 IN)(RCP)(3:1)(P) CO 2 Revised Plans, CTB, SRB	EA	725.00000	2,000	-2,000	0.000	-\$1,450.00
001	0280	04762095 CO DESCR	000	JACK BOR OR TUN PIPE(24 IN)(STL CASING) CO 2 Revised Plans, CTB, SRB	LF	325.00000	85.000	22,000	107,000	\$7,150.00
001	0295	04762096 CO DESCR	000	JACK BOR OR TUN PIPE(16 IN)(STL CASING) CO 2 Revised Plans, CTB, SRB	LF	215.00000	247,000	29,000	276,000	\$6,235.00
001	0381	05122017		PORT CTB (DES SOURCE)(LOW PROF)(TY 1)	LF	17.39000	0.000	440,000	440,000	\$7,651.60

CO DESCR	CO 2 Revised Plans, CTB, SRB	LF	17.64000	0.000	40.000	40.000	\$705.60
001 0382	05122018 CO DESCR	PORT CTB (DES SOURCE)(LOW PROF)(TY 2)	LF	17.64000	0.000	40.000	\$705.60
001 0383	05122035 CO DESCR	PORT CTB (STKPL)(LOW PROF)(TY 1)	LF	17.27000	0.000	440.000	\$7,598.80
001 0384	05122036 CO DESCR	PORT CTB (STKPL)(LOW PROF)(TY 2)	LF	16.69000	0.000	40.000	\$667.60
001 0400	05302011 CO DESCR	DRIVEWAYS (ACP)	SY	24.00000	2,471.229	-156.010	-156.010
001 0405	05302023 CO DESCR	DRIVEWAYS AND TURNOUTS (ACP)	SY	24.00000	1,515.000	-319.810	-319.810
001 0410	05402001 CO DESCR	MTL W-BEAM GD FEN (TIM POST)	LF	14.50000	1,493.000	-193.000	-193.000
001 0415	05402002 CO DESCR	MTL W-BEAM GD FEN (STEEL POST)	LF	19.00000	156.500	193.500	193.500
CHANGE ORDER AMOUNT							\$70,102.21

CHANGE ORDER NBR. 2

CONTRACT ID 028502012

FUNDING SOURCES

1. Work Program:	Local	Work Category:	10	Amount:	\$70,102.21
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Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205

AGENDA ITEM: Discussion and possible action to amend the Hays County Animal Control Ordinance.

CHECK ONE: **CONSENT** **X ACTION** **EXECUTIVE SESSION**
 WORKSHOP **PROCLAMATION** **PRESENTATION**

PREFERRED MEETING DATE REQUESTED: 2/28/12

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY:

SPONSORED BY: CONLEY

Proposed amendments to the Hays County Animal Control Ordinance, The Current Hays County Animal Control Ordinance, and applicable sections of CH 822 of the Health and Safety Code are proposed.



FIFTH AMENDED HAYS COUNTY ANIMAL CONTROL ORDINANCE

No. _____

This Fifth Amended Hays County Animal Control Ordinance ("Amendment") is made this 28th day of February, 2012, by the Hays County Commissioners Court, which, having duly considered the need for immediate modification of the existing Animal Control Ordinance, makes the following changes effective upon passage by a majority vote.

The provisions of the Fourth Amended Hays County Animal Control Ordinance, which were adopted on or about the 18th day of March, 2003 as Ordinance Number 20893, are modified as follows:

Section 10.1, entitled "Dogs That Attack Domestic Animals" is hereby repealed and replaced with the following:

Section 10.1 – Dogs that Attack Domestic Animals

- a)** A dog or coyote that is attacking, is about to attack, or has recently attacked livestock, domestic animals, or fowls may be killed by:
 - 1)** any person witnessing the attack; or
 - 2)** the attacked animal's owner or a person acting on behalf of the owner, if the owner or person has knowledge of the attack.
- b)** Subsection 10.1 (a), above, does not authorize a person to violate other local, state, or federal laws, including but not limited to Trespassing or Disorderly Conduct.
- c)** A person who kills a dog or coyote as provided by this section is not liable for damages to the owner, keeper, or person in control of the dog or coyote.
- d)** A person who discovers on the person's property a dog or coyote known or suspected of having killed livestock, domestic animals, or fowls may detain or impound the dog or coyote and return it to its owner or deliver the dog or coyote to the Animal Control Office. The owner of the dog or coyote is liable for all costs incurred in the capture and care of the dog or coyote and all damage done by the dog or coyote.
- e)** The owner, keeper, or person in control of a dog or coyote that is known to have attacked livestock, domestic animals, or fowls shall control the dog or coyote in a manner approved by the Animal Control Office and shall not permit the dog or coyote to run at large.

- f) A person is not required to acquire a hunting license under Section 42.002, Parks and Wildlife Code, to kill a dog or coyote under this section.
- g) A dog that attacks livestock, domestic animals, or fowls may be registered as a dangerous dog and treated in accordance with Section 10.4, below.

Section 10.3, entitled "Criminal Penalty" is hereby repealed and replaced with the following:

Section 10.3 – Penalty for Violation

- a) The owner of a dog or coyote who permits the animal to run at large in violation of this Order commits an offense punishable by a fine not to exceed one hundred dollars (\$100.00).
- b) Each time a dog or coyote runs at large in violation of this section constitutes a separate offense.

Section 10.4 shall be added and shall read as follows:

Section 10.4 – Dangerous Dog Related to Attacks on Animals

The penalties for violation of the dangerous dog provisions cited in Section 9 and Section 822.005 of the Texas Health and Safety Code shall only apply to attacks against a person. If an attack occurs against livestock, domestic animals, or fowl, the following procedures shall be followed:

- a) the first known attack by a dog against livestock, domestic animals, or fowl shall result in prosecution of the owner under Section 10.3, above. If the owner is convicted or serves a period of deferred adjudication for the violation cited in Section 10.3, above, then Animal Control shall register the dog as a dangerous dog for the purposes of this subsection. After Animal Control has registered the dog as a dangerous dog under this section, Animal Control may provide owner with written requirements that will better enable owner to control the dog. If owner fails to implement these requirements to the satisfaction of Animal Control, then Animal Control may confiscate the dog in accordance with Section 9.8, above.
- b) If a dog that is registered under this subsection is subsequently accused of an attack against livestock, domestic animals, or fowl while the dog is running at large, then Animal Control shall:
 - 1) schedule a hearing to be held in accordance with Section 9.5, above;
 - 2) provide prior notice of such hearing to the owner; and
 - 3) confiscate the dog in accordance with Section 9.8, above, unless the owner securely confines the dog to the satisfaction of Animal Control.

If it is shown by a preponderance of the evidence that the dog, indeed, attacked livestock, domestic animals, or fowl, then the Animal Control Office shall humanely destroy the dog.

- c) If, after hearing, it is found that the dog shall be humanely destroyed under subsection 10.4(b) above, the owner may immediately and voluntarily relinquish ownership of the dog and request that the court allow placement of the dog with a nonprofit animal

shelter, pound, or society for the protection of animals. The court may withdraw the order to have the dog humanely destroyed and grant such request, if the owner swears, in writing, to refrain from

- 1) interfering with the dog's placement, and/or
- 2) attempting to own or possess the dog in the future.

EXCEPT FOR THE ABOVE MODIFICATIONS, ALL OTHER PROVISIONS OF ORDINANCE NUMBER 20893, PASSED ON OR ABOUT MARCH 18, 2003, REMAIN UNCHANGED, UNLESS PROPERLY MODIFIED BY SUBSEQUENT ORDER OF THE HAYS COUNTY COMMISSIONERS COURT.

PASSED, APPROVED AND ADOPTED THIS THE 28th OF FEBRUARY, 2012.

**JUDGE BERT COBB, M.D.
HAYS COUNTY JUDGE**

ATTEST: _____
**LIZ Q. GONZALEZ
HAYS COUNTY CLERK**



FOURTH AMENDED

**HAYS COUNTY ANIMAL CONTROL ORDINANCE
NO. 20893**

AN ORDINANCE OF THE COMMISSIONERS' COURT OF HAYS COUNTY, TEXAS, TO ESTABLISH A RABIES CONTROL PROGRAM, REQUIRE THE LICENSING AND RESTRAINT OF CERTAIN ANIMALS, DESIGNATE A LOCAL ANIMAL CONTROL AUTHORITY, REGULATE DANGEROUS DOGS, DECLARE A PUBLIC NUISANCE AND PROVIDE PENALTIES PURSUANT TO CHAPTERS 822 AND 826 OF THE TEXAS HEALTH & SAFETY CODE.

WHEREAS, the Commissioners' Court of Hays County is authorized by Chapter 822 of the Texas Health & Safety Code to enact a local ordinance to regulate the registration and restraint of animals; and

WHEREAS, the Commissioners' Court of Hays County is authorized by Chapter 826 of the Texas Health & Safety Code to enact a local ordinance to require rabies vaccinations and other measures as a means to prevent the dangerous spread of rabies; and

WHEREAS, it is the intent of the Commissioners' Court to enact this animal control ordinance in an effort to protect the public health and safety of Hays County residents and encourage the humane treatment of animals;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS' COURT OF HAYS COUNTY, TEXAS, THAT: The following provisions were adopted the 18th day of MARCH, 2003.

SECTION 1. INTENT AND AUTHORITY

Section 1.1. Authority. These regulations are adopted by the Commissioners' Court of Hays County, Texas, acting in its capacity as the governing body of Hays County, Texas as authorized by Chapters 822 and 826 of the Texas Health & Safety Code.

Section 1.2. Intent. It is the intent of the Commissioners' Court of Hays County, Texas, to enact this ordinance in order to protect the public health and safety of the citizens of Hays County and the Commissioner's Court hereby declares that this ordinance is necessary for the immediate preservation of the public peace, health and safety. This ordinance is further intended to encourage the humane treatment of animals and prevent cruelty to animals.

Section 1.3. Strict Liability. Unless otherwise indicated, any person who violates a section of this ordinance shall be strictly liable for such violation and shall be subject to the penalties herein established.

Section 1.4. Municipal Ordinances to Supersede. This ordinance shall not prevent a corporate municipality within the county from establishing any rules and regulations to control animals within its corporate limits. Any such ordinance established by said corporate municipalities shall supersede this ordinance thereby preventing dual enforcement. In such cases, this ordinance will not be enforced within the corporate limits of any municipality.

SECTION 2. DEFINITIONS

As used in this ordinance, the following words and phrases shall have the following meanings:

Section 2.1. Animal Control Officer. Any person designated by the Hays County Sheriff or his designee to perform the duties outlined in this ordinance.

Section 2.2. Animal Owner. Any person who owns, keeps, or has custody or control of an animal for a period of ten (10) days or more.

Section 2.3. Bite. Any puncturing, tearing, or scratching of the skin caused by an animal's teeth.

Section 2.4. Cat. Felis Catus.

Section 2.5. Dangerous Dog. A dog is dangerous if it:

- a) makes an unprovoked attack on a person causing bodily injury and the attack occurs in a place other than an enclosure in which the dog is being kept; or
- b) commits unprovoked acts in a place other than an enclosure in which the dog is being kept and those acts cause a person to reasonably believe that the dog will attack and cause bodily injury to that person.

Section 2.6. Dog. Canis Familiaris.

Section 2.7 Domestic Animal. Any animal that is owned, kept or controlled by a person.

Section 2.8. Holiday. Those days designated as official holidays by the Hays County Commissioners' Court.

Section 2.9. Inhumane Treatment. Any treatment of an animal which deprives the animal of necessary sustenance, including necessary food, clean water and adequate shelter for protection from weather, or any treatment which constitutes torment, physical abuse, mutilation, or lack of proper veterinary care.

Section 2.10. Public Nuisance. Any animal or animals that unreasonably annoy humans, endanger the life or health of other animals or persons, or substantially interfere with the rights of citizens, other than their owners, to the enjoyment of life or property. The term public nuisance shall mean and include, but not be limited to, any animal that:

- a) repeatedly is at large or stray;
- b) damages the property of anyone other than its owner;
- c) molests or intimidates pedestrians or passersby;
- d) chases vehicles or bicycles;
- e) excessively and repeatedly makes unprovoked disturbing noises including, but not limited to, continuous and repeated howling, barking, whining or other utterances causing unreasonable annoyance, disturbance or discomfort to the neighbors or others in close proximity to the premises where the animal is kept or harbored;
- f) attacks other domestic animals;

Section 2.11. Restraint. An animal shall be deemed to be under restraint if it is:

- a) tied in such a way as to prevent it from leaving the owner's premises and from being within ten (10) feet of any public right-of-way;
- b) totally enclosed in a fence constructed in such a way as to prevent it from leaving the owner's premises. The use of a wireless fence which transmits either a high frequency sound or a pulse stimulus shock and that is intended to train the dog to stay on the premises will not be considered a means of restraint; or
- c) accompanied by a responsible person who is able to control it with a leash.

Section 2.12. Running At Large. Not completely confined by a building, wall, or fence of sufficient strength or construction to restrain the animal except when a dog subject to these regulations is under the direct supervision of the owner and is:

- a) on a leash;
- b) held in the hands/arms of the owner or within the limits of the owner's private property and is obedient to that owner's verbal commands;
- c) within an automobile or vehicle of its owners and properly restrained; or
- d) participating in a field trial, dog show, or obedience classes.

Section 2.13. Secure Enclosure. A fenced area or structure that is:

- a) locked;
- b) capable of preventing the entry of the general public including children;
- c) capable of preventing the escape or release of a dangerous dog;
- d) clearly marked as containing a dangerous dog; and
- e) conforms to the requirements for enclosures established by the Animal Control Authority.

Section 2.14. Serious Bodily Injury. An injury characterized by severe bite wounds or severe ripping and tearing of muscle or tissue that would cause a reasonably prudent person to seek treatment from a medical professional and would require hospitalization without regard to whether the person actually sought medical treatment.

Section 2.15. Stray. Any animal subject to these regulations that is roaming without physical restraint and whose ownership is not readily ascertainable shall be deemed a stray and a nuisance. Absence of a current rabies tab and/or a tag identifying the owner on any animal subject to these regulations is evidence of its status as a stray.

Section 2.16. Vaccinated. An animal which has been currently and properly injected with a rabies vaccine, licensed for use in that species by the United States Department of Agriculture and administered by a veterinarian licensed by the State of Texas.

Section 2.17. Wild Animal. All species of animals that naturally exist in an unconfined state and are usually not domesticated shall be deemed wild. This definition shall apply whether or not the wild animal has been confined for any duration in any fashion.

SECTION 3. **LOCAL ANIMAL CONTROL AUTHORITY**

Section 3.1. Designation of Animal Control Officer. The Commissioners' Court of Hays County, Texas, hereby designates the Hays County Sheriff as the local health authority and creates the position of Animal Control Officer within the Sheriff's Department to assist with the following:

- a) formulation of rules and procedures to be approved by Commissioners' Court for the enforcement of this ordinance;
- b) supervising the implementation, administration and enforcement of this ordinance.

Section 3.2. Duties of Animal Control Officer. The Animal Control Officer or his authorized designee will be responsible for, but not limited to, the following duties as set forth in this ordinance and to carry out provisions of the State laws pertaining to control and eradication of rabies.

- a) Animal bites – receive and investigate reports or animal bites within Hays County in a timely manner. Bites occurring within municipalities having animal control ordinances will be referred to the proper municipal authority.
- b) Quarantine – perform immediate and proper quarantine procedures for animals suspected of having rabies. Animals may be placed in approved animal shelters, approved veterinary hospitals or owners' approved premises.
- c) Impoundment – the Animal Control Officer or his authorized designee will humanely capture and transport an animal to the County's designated animal shelter or kennel for violations set forth in this ordinance.
- d) Destruction – perform immediate, if warranted, proper and humane destruction of certain animals described in this ordinance.
- e) Citations – Issuance of citations for various violations and offenses set forth.
- f) Records – Provide necessary data and reports on a periodic basis as required by the Commissioners' Court.

Section 3.3. Interference with the Animal Control Officer and Penalty. It shall be unlawful for any person to intentionally or knowingly, by act or omission, physically interfere with, molest, hinder, or prevent the Animal Control Officer from the official discharge of the duties herein prescribed. Any person who violates a provision of Section 3 shall be guilty of a Class C misdemeanor.

SECTION 4. **LICENSING AND REGISTRATION**

Section 4.1 Animals Required to be Licensed. All dogs older than three (3) months which are kept, possessed, or controlled within Hays County shall be licensed at a rate of \$7.50 per year. If the animal has been spayed or neutered the owner shall be required to pay a one-time license fee of \$7.50. No person may use a license for any dog other than the dog for which it was issued.

Section 4.2 Cooperation with Local Veterinarians. In an effort to encourage the registration of dogs, licenses veterinarians who register any Hays County animal are authorized to retain \$2.50 for every \$7.50 collected in an effort to offset any expense incurred in registering the animal. Any fees collected by the County relating to the registration of dogs shall be used to administer the animal control program for the County.

Section 4.3 Exceptions. Owners of the following categories of dogs are not required to obtain a license.

- a) dogs possessed by animal breeders operating under a business name and possessing a sales tax permit.
- b) sheltered and impounded animals housed by licensed veterinarians.
- c) dogs certified and trained to assist the physically handicapped.
- d) dogs trained to assist law enforcement.
- e) dogs with a valid license from a municipality within Hays County in which the animal resides.
- f) Non-resident dogs remaining within Hays County for less than sixty (60) days.

Section 4.4. Penalty. Any person who violates a provision of Section 4 shall be guilty of a Class C misdemeanor.

SECTION 5. **RABIES CONTROL PROGRAM**

Section 5.1. Rabies Vaccination. No person shall own, keep, or harbor within the county any dog or cat over the age of three (3) months unless such dog or cat has a current rabies vaccination. Every domestic dog or cat must be revaccinated against rabies at a minimum of at least once every three years. Any person moving into the county shall comply with this section within ten (10) days after having moved into the county.

Section 5.2. Certificate of Vaccination. Upon vaccination, the veterinarian shall execute and furnish to the owner of the dog or cat a certificate using a form furnished by the veterinarian. The veterinarian shall retain a duplicate copy. Such certificate shall contain the following information.

- a) the name, address and telephone number of the owner of the vaccinated dog or cat;
- b) the date of vaccination;
- c) the type of rabies vaccine used;
- d) the year and number of rabies tag; and
- e) the breed, age, color, and sex of the vaccinated dog or cat.

Section 5.3. Rabies Tag. Concurrent with the issuance and delivery of the certificate of vaccination, the veterinarian shall furnish to the owner of the vaccinated dog or cat a metal tag. The owner of the dog or cat shall attach the metal tag to the collar or harness of the vaccinated dog or cat, serial numbered to correspond with the vaccination certificate number, and bearing the year of issuance and the name of the issuing veterinarian and his/her address. The owner shall have the collar or harness, with the metal tag attached, on his/her dog or cat at all times. Any other methodology approved and accepted by the Texas Department of Health for identification purposes will be considered by the Animal Control Officer.

Section 5.4. Duplicate Tags. In the event of loss or destruction of the original tag provided in Section 5.3, the owner of the animal shall obtain a duplicate tag. Vaccination certificates and tags shall be valid only for the animal for which it was originally issued. Duplicate tags may be purchased from any practicing veterinarian in Hays County.

Section 5.5. Proof. It shall be unlawful for any person who owns a vaccinated dog or cat to fail or refuse to exhibit his copy of the certificate of vaccination upon demand to any person charged with the enforcement of this order.

Section 5.6. Unvaccinated Animal. It shall be unlawful for any person to own a dog or cat which has not been vaccinated against rabies, as provided herein, which cannot be identified as having a current vaccination certificate.

Section 5.7. Animals Exposed to Rabies.

- a) Any person who has reason to believe that any animal, whether or not currently vaccinated, has been exposed to rabies must immediately report the incident to the Animal Control Authority.
- b) Any such animal shall be impounded and placed in isolation in a facility approved by the Animal Control Authority, for such time as is necessary, depending upon all relevant circumstances, for a licensed veterinarian to determine that the animal has not contracted rabies.
- c) If the owner of the animal cannot provide an approved isolation facility or does not agree to pay for the facility, the animal shall be humanely destroyed at the owner's expense.
- d) If the animal's owner cannot be identified or located within seventy-two (72) hours from the time of impoundment, not counting weekends and holidays, the animal shall be humanely destroyed.
- e) In addition to any impound fees, any costs directly associated with the examination, treatment, and/or vaccination of the animal shall be due prior to release of the animal.

Section 5.8. Penalty for Violation.

- a) Any person who violates a provision of Section 5 shall be guilty of a Class C misdemeanor.
- b) It is a defense to prosecution under this section that the person charged produces proof of vaccination that was valid at the time the offense is alleged to have occurred.

SECTION 6.
REPORTING BITES FROM ANIMALS SUSCEPTIBLE TO RABIES

Section 6.1. Report Required. Any person having knowledge of a bite to a human by any warm-blooded animal shall report the incident to the Animal Control Officer as soon as possible.

Section 6.2. Quarantine Required. The owner, if any, of the biting animal shall place the animal in quarantine as prescribed in Section 7 under the supervision of the Animal Control Officer.

Section 6.3. Investigation. The Animal Control Officer shall investigate each bite incident reported.

SECTION 7.
QUARANTINE PROCEDURES

Section 7.1. Rabies Quarantine.

- a) When an Animal Control Officer has probable cause to believe that the owner of an animal that has bitten a human has been identified, the owner, if any, will be required to produce the animal for ten (10) days confinement at the owner's expense.
- b) Refusal to produce said animal constitutes a violation of this section.
- c) The ten (10) day observation period begins on the day the animal is produced for quarantine.
- d) The animal must be placed in an animal control facility or a veterinary hospital approved for that purpose by the Texas Department of Health.

Section 7.2. Owner Refuses Quarantine. If the biting animal cannot be maintained in a secure quarantine or if the owner chooses not to pay for the quarantine, the animal shall be humanely destroyed, and the brain shall be submitted to a Texas Department of Health (TDH) certified laboratory for rabies diagnosis, at the owner's expense.

Section 7.3. Wild Animals. No wild animals will be placed in quarantine. All wild animals involved in biting incidents shall be humanely killed in such a manner that the brain is not mutilated and the brain shall be submitted to a TDH-certified laboratory for rabies diagnosis.

Section 7.4. Penalty for Violation.

- a) Any person who violates a provision of Section 7 shall be guilty of a Class C misdemeanor.
- b) If it is shown on trial that a person has been previously convicted under this section, no portion of a fine imposed for subsequent violations may be deferred, suspended or probated.
- c) Each day an animal is not produced for quarantine shall constitute a separate offense.

SECTION 8.
PROHIBITION OF A NUISANCE

Section 8.1. Dogs Prohibited from Running at Large.

- a) When the owner of a dog running at large is determined and the owner can be located, the animal shall be returned to its owner and the owner shall be cited for violation of this order.
- b) If ownership is in question or if the animal is a stray, the animal shall be impounded for seventy-two (72) hours, not counting weekends and holidays.
- c) An owner may claim the animal within this time period after paying all incurred costs and impoundment fees.
- d) Upon failure of the owner to claim the animal during that period, the Animal Control Officer may order the animal destroyed without compensation to the owner.

Section 8.2. Elimination of Stray Animals.

- a) When practical, the Animal Control Officer shall impound any animal subject to these regulations which is found to be a stray.
- b) The animal may be impounded for seventy-two (72) hours, not counting weekends and holidays.
- c) Subject to citation for violation of this order, an owner may claim the animal within this time period after paying all incurred costs and impoundment fees.
- d) Upon failure of the owner to claim the animal during that period, the Animal Control Officer may order the animal destroyed without compensation to the owner.

Section 8.3. Prohibition of Inhumane Treatment.

- a) Any inhumane treatment of any type of animal shall be deemed a nuisance.
- b) It shall be unlawful for a person to intentionally, knowingly, recklessly or with criminal negligence, by act or omission, treat an animal inhumanely.

Section 8.4. Animals Creating a Public Nuisance.

- a) In addition to the items contained in Section 2.10 hereof, It shall be a public nuisance and unlawful for an owner to intentionally, knowingly or recklessly keep, possess, or control any animal that:

- 1) Excessively makes disturbing noises, including, but not limited to continued and repeated howling, barking, whining or other utterances causing unreasonable annoyance, disturbance, or discomfort to neighbors or others in close proximity to the premises where the animal is kept or harbored.
- 2) Causes fouling of the air by odor and thereby creates unreasonable annoyance or discomfort to neighbors or others in close proximity to the premises where the animal is kept or harbored.
- 3) Causes unsanitary conditions in enclosures or surroundings in which the animal is kept or harbored.
- 4) Damages the personal or real property of anyone other than its owner.
- 5) Attacks or worries other domestic animals.
- b) Any animal that is a public nuisance may be confiscated and impounded by the Animal Control Officer for seventy-two (72) hours, not counting weekends and holiday.
- c) Subject to citation for violation of this order and approval by the Animal Control Officer of a plan to eliminate the public nuisance caused by the animal, an owner may claim the animal within the 72 hour time period after paying in full all incurred costs and impoundment fees.
- d) Upon failure of the owner to contact the Animal Control Officer during the 72 hour time period, the Animal Control Officer may order the animal destroyed without compensation to the owner.
- e) Upon contact with the Animal Control Officer within the 72 hour time period, reasonable arrangements may be made to continue to impound the animal, at the owner's sole expense, while a plan to eliminate the public nuisance caused by the animal is devised by the owner and approved by the Animal Control Officer.
- f) If a plan to eliminate the public nuisance caused by the animal is not submitted within the 72 hour time period, or once submitted, is not approved by the Animal Control Officer, the Animal Control Officer may order the animal destroyed without compensation to the owner.

Section 8.5. *Penalty for Violation.* Any person who violates a provision of Section 8 shall be guilty of a Class C misdemeanor.

SECTION 9. **OWNERSHIP OF DANGEROUS DOGS**

Section 9.1. *Requirements for Ownership of a Dangerous Dog.* An owner of a dangerous dog must:

- a) Register the dangerous dog with the Hays County Animal Control Officer for the area in which the dog is kept.
- b) Pay an annual fee of \$100.00 to the Animal Control Officer.
- c) Restrain the dangerous dog at all times on a leash in the immediate control of a person or in a secure enclosure which has been approved by the Animal Control Officer.
- d) Post a sign on his/her premises warning that there is a dangerous dog on the property. This sign shall be visible and be capable of being read from a public street or highway.
- e) Spay or neuter the dangerous dog.

- f) Obtain necessary insurance or show financial responsibility in the amount of at least \$100,000 to cover damages to persons and property resulting from a dog attack.

Section 9.2. Limitation of Ownership of Dangerous Dogs.

- a) Only one dangerous dog may be owned per household.
- b) No more than two dangerous dogs may remain at any residence for more than seven days.

Section 9.3. Declaration of a Dangerous Dog.

- a) Animal Control may find and declare a dog to be dangerous or potentially dangerous if Animal Control has probable cause to believe that a dog committed any acts described in the definition of Dangerous Dog (Section 2.5) or that the dog repeatedly bit or vigorously shook its victim and the victim, or a person intervening, had difficulty terminating the attack; or
- b) Upon receipt of an affidavit of complaint signed by one or more individuals, made under oath before an individual authorized by law to take sworn statements or made at the Animal Control Office, setting forth the nature and the date of the act, the location of the event, the name of the owner of the dog, the address of the owner, and the description of the dog doing such act, Animal Control shall investigate the complaint and determine if a dog is dangerous.

Section 9.4. Notification of Declaration of Dangerous Dog.

- a) Within five (5) working days of declaring any dog dangerous or potentially dangerous, Animal Control will notify, by regular mail and by certified mail, return-receipt requested, the owner of the dog(s) designated as a dangerous dog. Animal Control shall also post a written notice at the entrance of the premises where the dog is harbored.
- b) Receipt of said notice shall be presumed upon proof of either of the following occurrences:
 - 1) Return of an executed return-receipt;
 - 2) Affidavit by Animal Control of deposit of a correctly addressed notice into United States mail; or
 - 3) Affidavit by Animal Control of posting of the notice at the premises where the dog was harbored.
- c) An owner may appeal this declaration to a justice court of competent jurisdiction. If the dog is declared to be dangerous, the notice shall inform the owner of the dog that a determination hearing may be requested to contest the declaration. The request for a determination hearing must be in writing and must be received by the appropriate Justice of the Peace no later than ten (10) working days from receipt of notice by the owner of the dog. Failure to appeal the declaration within ten (10) working days shall result in Animal control's decision becoming final.

Section 9.5. Determination Hearing.

- a) Upon written request for a determination hearing by the owner of a dog declared dangerous, the dog in question will be subject to any behavior assessment test or any other means available to Animal Control. The results of any tests will be presented at the determination hearing and be taken into consideration for the final determination. The owner shall be responsible for any costs incurred for the test or tests to be conducted and fees of the animal behaviorist to analyze the video test or tests.
- b) The owner shall be notified of the hearing by placing the notice in the United States mail addressed to the owner. Failure of the owner of the dog to appear at the determination hearing shall result in the Animal Control's declaration becoming final. Pending the outcome of the determination hearing, the dog must be securely confined in a humane manner at a licensed veterinarian facility or in an animal shelter. The costs of securing the dog pending the determination hearing shall be borne by the owner.
- c) The court shall determine by a preponderance of the evidence whether the declaration that the dog is dangerous is proper based upon the evidence, affidavits, and testimony presented at the hearing.

Section 9.6. Defense to Declaration of Dangerous Dog. It is a defense to the determination of any dog as dangerous and to the prosecution of the owner of the dog:

- a) If the threat, injury, or damage was sustained by a person who at the time was committing a willful trespass or other tort upon the premises occupied by the owner of the dog;
- b) If the person was teasing, tormenting, abusing, or assaulting the dog;
- c) If the person was committing or attempting to commit a crime;
- d) If the dog was protecting or defending a person within the immediate vicinity of the dog from an unjustified attack or assault; or
- e) If the dog was injured and responding to pain.

Section 9.7. Exemptions. It is a defense to prosecution that a person is:

- a) A veterinarian, a peace officer, a person employed by a recognized animal shelter or a person employed by the state or a political subdivision of the State to deal with stray animals and has temporary ownership, custody, or control of the dog in connection with that position;
- b) An employee of the institutional division of the Texas Department of Criminal Justice or a law enforcement agency and trains or uses dogs for law enforcement or corrections purposes; or
- c) A dog trainer or an employee of a guard dog company under the Private Investigators and Private Security Agencies, Tex. Rev. Civ. Stat. Art. 4412 (29BB).

Section 9.8. Confiscation.

- a) Until the owner of a dog determined to be dangerous has met the requirements placed on that owner by Section 822.042, Texas Health & Safety Code and this order, the Animal

Control Officer or his designee shall confiscate the dog whether it be found on public or private property.

- b) The Animal Control Officer shall have no authority to confiscate any dog unless he has first delivered to the owner of the dog, a written notice of the determination that the dog is a dangerous dog. The notice may be delivered either in person or by certified mail, return receipt requested, directed to the last known mailing address of the owner.
- c) The Animal Control Officer shall be required to obtain a search and seizure warrant only if the dangerous dog is located within a residence.
- d) If an attempt is made by the Animal Control Officer to impound a dangerous dog and the impoundment cannot be made safely, the owner shall be notified and given twenty-four (24) hours to surrender the dog to the Animal Control Officer. The notice shall include a warning that failure to surrender the dog may result in destruction of the dog if it cannot be safely impounded on any subsequent attempt;
- e) The dog thus confiscated shall be ordered sheltered by the Animal Control Officer for a period of seventh-two (72) hours, not counting weekends and holidays, to allow the owner to claim the dog upon satisfaction of the provisions of Section 822.042 and 822.042 of the Texas Health & Safety code and this ordinance. Upon failure of the owner to reclaim the dog during that period, the Animal Control Officer may humanely destroy the dog without compensation to the owner.
- f) In addition to the fees required for registration of the dog, the owner must prior to the dog's release, satisfy all above-referenced provisions.

Section 9.9. Penalty for Violation.

- a) Any person who violates a provision of Section 9 shall be guilty of a Class C misdemeanor.
- b) If it is shown on trial that a person has been previously convicted under this Section, no portion of a fine imposed for subsequent violations may be deferred, suspended or probated.
- c) Each day that a person owns a dangerous dog in violation of this section shall constitute a separate offense.
- d) An offense under this section is a Class B misdemeanor if the defendant has previously been convicted under this section.
- e) If a person is found guilty of an offense under this section, and the offending dog caused death or serious bodily injury, the Court may order the dangerous dog destroyed by Animal Control in a humane manner.
- f) In addition to criminal prosecution, a person who commits an offense under this section is liable for a civil penalty not to exceed \$10,000. The Hays County Criminal District Attorney or Special Counsel to the Hays County Commissioners' Court under the direction of the Hays County Criminal District Attorney may file suit in a court of competent jurisdiction to collect the penalty. Penalties collected under this subsection shall be retained by the county to be used to defray the cost of administering this ordinance.

SECTION 10.
ATTACKING DOMESTIC ANIMALS

Section 10.1 Dogs That Attack Domestic Animals.

- a) A dog that is attacking, is about to attack, or has recently attacked sheeps, goats, calves, or other domestic animals or fowls may be killed by any person witnessing or having knowledge of the attack.
- b) A person who kills a dog as provided by this section is not liable for damages to the Owner of the dog.
- c) A dog known or suspected of having killed sheep, goats, calves, or other domestic animals or fowls is a public nuisance. Any person may detain or impound the dog until the dog's owner is notified and all damage done by the dog has been determined and paid to the property persons.
- d) The owner of a dog that is known to have attacked sheep, goats, calves, or other domestic animals or fowls shall kill the dog. A sheriff, deputy sheriff, constable, police officer or magistrate may enter the premises of the owner of the dog and kill the dog if the owner fails to do so.

Section 10.2 Protection of Domestic Animals.

- a) The owner of any sheep, goats, calves, or other domestic animals that are subject to the ravages of sheep-killing dogs may place poison on the premises where the animals are kept.
- b) The owner must post notice of the poison at each entrance to the premises before placing the poison.

Section 10.3 Criminal Penalty

- a) A person commits an offense if the person intentionally:
 - (1) fails or refuses to allow a dog to be killed when ordered by the proper authorities to do so, under Section 10.
- b) An offense under the above Section 10 is a class B misdemeanor punishable by a fine of not more than \$100, confinement in the county jail for not more than 30 days, or both.

SECTION 11.
IMPOUNDMENT FACILITIES AND FEES

Section 11.1. Animal Facilities. The Hays County Commissioners' Court may enter into contracts or agreements with public, private entities, or animal shelters to provide for the impoundment of animals under this ordinance or to carry out other activities required or authorized by this ordinance. Any animal adopted from an animal facility that has entered into a contract with Hays County shall require that all animals adopted be spayed or neutered within forty-five (45) days of the adoption.

Section 11.2 Impoundment Fees. An owner of an animal that has been impounded under any section of this ordinance shall pay all applicable impoundment fees, as established by the animal facility and approved by the Animal Control Officer, before retrieving the animal.

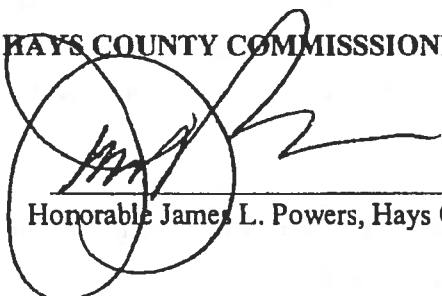
Section 11.3 Severance Clause. If any section, sentence, or clause of this ordinance is for any reason held to be invalid, such decision shall not affect the validity of the remaining portions of this ordinance.

Section 11.4 Repealer. This ordinance is intended to repeal and replace Animal Control Ordinance No. 10429 enacted by the Hays County Commissioners' Court on September 24, 1990 and all other orders and ordinances in conflict with this ordinance are hereby repealed.

Section 11.5 Effective Date. This ordinance shall become effective upon passage by a majority vote of the Hays County Commissioners' Court.

PASSED AND APPROVED this the 18TH day of MARCH, 2003.

HAYS COUNTY COMMISSIONERS' COURT


Honorable James L. Powers, Hays County Judge

ATTEST:


Lee Carlisle, Hays County Clerk



HEALTH AND SAFETY CODE

TITLE 10. HEALTH AND SAFETY OF ANIMALS

CHAPTER 822. REGULATION OF ANIMALS

SUBCHAPTER A. GENERAL PROVISIONS; DOGS THAT ATTACK PERSONS OR

ARE A DANGER TO PERSONS

Sec. 822.001. DEFINITIONS. In this subchapter:

(1) "Animal control authority" means a municipal or county animal control office with authority over the area in which the dog is kept or the county sheriff in an area that does not have an animal control office.

(2) "Serious bodily injury" means an injury characterized by severe bite wounds or severe ripping and tearing of muscle that would cause a reasonably prudent person to seek treatment from a medical professional and would require hospitalization without regard to whether the person actually sought medical treatment.

(3) "Dangerous dog," "dog," "owner," and "secure enclosure" have the meanings assigned by Section 822.041.

(4) "Secure" means to take steps that a reasonable person would take to ensure a dog remains on the owner's property, including confining the dog in an enclosure that is capable of preventing the escape or release of the dog.

Amended by Acts 1997, 75th Leg., ch. 99, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 669, Sec. 3, eff. September 1, 2007.

Sec. 822.0011. APPLICATION TO CERTAIN PROPERTY. For purposes of this subchapter, a person's property includes property the person is entitled to possess or occupy under a lease or other agreement.

Added by Acts 2007, 80th Leg., R.S., Ch. 669, Sec. 4, eff. September 1, 2007.

Sec. 822.002. SEIZURE OF A DOG CAUSING DEATH OF OR SERIOUS BODILY INJURY TO A PERSON. (a) A justice court, county court, or municipal court shall order the animal control authority to seize a dog and shall issue a warrant authorizing the seizure:

(1) on the sworn complaint of any person, including the county attorney, the city attorney, or a peace officer, that the dog has caused the death of or serious bodily injury to a person by attacking, biting, or mauling the person; and

(2) on a showing of probable cause to believe that the dog caused the death of or serious bodily injury to the person as stated in the complaint.

(b) The animal control authority shall seize the dog or order its seizure and shall provide for the impoundment of the dog in secure and humane conditions until the court orders the disposition of the dog.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Renumbered from Health & Safety Code Sec. 822.001 and amended by Acts 1997, 75th Leg., ch. 99, Sec. 1, eff. Sept. 1, 1997.

Sec. 822.003. HEARING. (a) The court shall set a time for a hearing to determine whether the dog caused the death of or serious bodily injury to a person by attacking, biting, or mauling the person. The hearing must be held not later than the 10th day after the date on which the warrant is issued.

(b) The court shall give written notice of the time and place of the hearing to:

(1) the owner of the dog or the person from whom the dog was seized; and

(2) the person who made the complaint.

(c) Any interested party, including the county attorney or city attorney, is entitled to present evidence at the hearing.

(d) The court shall order the dog destroyed if the court finds that the dog caused the death of a person by attacking, biting, or mauling the person. If that finding is not made, the court shall order the dog released to:

- (1) its owner;
- (2) the person from whom the dog was seized; or
- (3) any other person authorized to take possession of the dog.

(e) The court may order the dog destroyed if the court finds that the dog caused serious bodily injury to a person by attacking, biting, or mauling the person. If that finding is not made, the court shall order the dog released to:

- (1) its owner;
- (2) the person from whom the dog was seized; or
- (3) any other person authorized to take possession of the dog.

(f) The court may not order the dog destroyed if the court finds that the dog caused the serious bodily injury to a person by attacking, biting, or mauling the person and:

- (1) the dog was being used for the protection of a person or person's property, the attack, bite, or mauling occurred in an enclosure in which the dog was being kept, and:

- (A) the enclosure was reasonably certain to prevent the dog from leaving the enclosure on its own and provided notice of the presence of a dog; and

- (B) the injured person was at least eight years of age, and was trespassing in the enclosure when the attack, bite, or mauling occurred;

- (2) the dog was not being used for the protection of a person or person's property, the attack, bite, or mauling occurred in an enclosure in which the dog was being kept, and the injured person was at least eight years of age and was trespassing in the enclosure when the attack, bite, or mauling occurred;

- (3) the attack, bite, or mauling occurred during an arrest or other action of a peace officer while the peace officer was using the dog for law enforcement purposes;

- (4) the dog was defending a person from an assault or person's property from damage or theft by the injured person; or

- (5) the injured person was younger than eight years of age, the attack, bite, or mauling occurred in an enclosure in which the dog was being kept, and the enclosure was reasonably certain to keep a person younger than eight years of age from entering.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Renumbered from Health & Safety Code Sec. 822.002 and amended by Acts 1997, 75th Leg., ch. 99, Sec. 1, eff. Sept. 1, 1997.

Sec. 822.004. DESTRUCTION OF DOG. The destruction of a dog under this subchapter must be performed by:

- (1) a licensed veterinarian;
- (2) personnel of a recognized animal shelter or humane society who are trained in the humane destruction of animals; or
- (3) personnel of a governmental agency responsible for animal control who are trained in the humane destruction of animals.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Renumbered from Health & Safety Code Sec. 822.003 by Acts 1997, 75th Leg., ch. 99, Sec. 1, eff. Sept. 1, 1997.

Sec. 822.005. ATTACK BY DOG. (a) A person commits an offense if the person is the owner of a dog and the person:

(1) with criminal negligence, as defined by Section 6.03, Penal Code, fails to secure the dog and the dog makes an unprovoked attack on another person that occurs at a location other than the owner's real property or in or on the owner's motor vehicle or boat and that causes serious bodily injury, as defined by Section 1.07, Penal Code, or death to the other person; or

(2) knows the dog is a dangerous dog by learning in a manner described by Section 822.042(g) that the person is the owner of a dangerous dog, and the dangerous dog makes an unprovoked attack on another person that occurs at a location other than a secure enclosure in which the dog is restrained in accordance with Subchapter D and that causes serious bodily injury, as defined by Section 822.001, or death to the other person.

(b) An offense under this section is a felony of the third degree unless the attack causes death, in which event the offense is a felony of the second degree.

(c) If a person is found guilty of an offense under this section, the court may order the dog destroyed by a person listed in Section 822.004.

(d) A person who is subject to prosecution under this section and under any other law may be prosecuted under this section, the other law, or both.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Renumbered from Health & Safety Code Sec. 822.004 and amended by Acts 1997, 75th Leg., ch. 99, Sec. 1, eff. Sept. 1, 1997.

Amended by:

Acts 2007, 80th Leg., R.S., Ch. 669, Sec. 5, eff. September 1, 2007.

Sec. 822.006. DEFENSES. (a) It is a defense to prosecution under Section 822.005(a) that the person is a veterinarian, a veterinary clinic employee, a peace officer, a person employed by a recognized animal shelter, or a person employed by this state or a political subdivision of this state to deal with stray animals and has temporary ownership, custody, or control of the dog in connection with that position.

(b) It is a defense to prosecution under Section 822.005(a) that the person is an employee of the Texas Department of Criminal Justice or a law enforcement agency and trains or uses dogs for law enforcement or corrections purposes and is training or using the dog in connection with the person's official capacity.

(c) It is a defense to prosecution under Section 822.005(a) that the person is a dog trainer or an employee of a guard dog company under Chapter 1702, Occupations Code, and has temporary ownership, custody, or control of the dog in connection with that position.

(d) It is a defense to prosecution under Section 822.005(a) that the person is disabled and uses the dog to provide assistance, the dog is trained to provide assistance to a person with a disability, and the person is using the dog to provide assistance in connection with the person's disability.

(e) It is a defense to prosecution under Section 822.005(a) that the person attacked by the dog was at the time of the attack engaged in conduct prohibited by Chapters 19, 20, 21, 22, 28, 29, and 30, Penal Code.

(f) It is an affirmative defense to prosecution under Section

822.005(a) that, at the time of the conduct charged, the person and the dog are participating in an organized search and rescue effort at the request of law enforcement.

(g) It is an affirmative defense to prosecution under Section 822.005(a) that, at the time of the conduct charged, the person and the dog are participating in an organized dog show or event sponsored by a nationally recognized or state-recognized kennel club.

(h) It is an affirmative defense to prosecution under Section 822.005(a) that, at the time of the conduct charged, the person and the dog are engaged in:

(1) a lawful hunting activity; or

(2) a farming or ranching activity, including herding livestock, typically performed by a working dog on a farm or ranch.

(i) It is a defense to prosecution under Section 822.005(a) that, at the time of the conduct charged, the person's dog was on a leash and the person:

(1) was in immediate control of the dog; or

(2) if the person was not in control of the dog, the person was making immediate and reasonable attempts to regain control of the dog.

Added by Acts 2007, 80th Leg., R.S., Ch. 669, Sec. 6, eff. September 1, 2007.

Sec. 822.007. LOCAL REGULATION OF DOGS. This subchapter does not prohibit a municipality or county from adopting leash or registration requirements applicable to dogs.

Added by Acts 2007, 80th Leg., R.S., Ch. 669, Sec. 6, eff. September 1, 2007.

SUBCHAPTER B. DOGS AND COYOTES THAT ARE A DANGER TO ANIMALS

Sec. 822.011. DEFINITIONS. In this subchapter:

(1) "Dog or coyote" includes a crossbreed between a dog and a coyote.

(2) "Livestock" includes exotic livestock as defined by Section 161.001, Agriculture Code.

Added by Acts 2003, 78th Leg., ch. 1002, Sec. 1, eff. Sept. 1, 2003.

Sec. 822.012. CERTAIN DOGS AND COYOTES PROHIBITED FROM RUNNING AT LARGE; CRIMINAL PENALTY. (a) The owner, keeper, or person in control of a dog or coyote that the owner, keeper, or person knows is accustomed to run, worry, or kill livestock, domestic animals, or fowls may not permit the dog or coyote to run at large.

(b) A person who violates this section commits an offense. An offense under this subsection is punishable by a fine of not more than \$100.

(c) Each time a dog or coyote runs at large in violation of this section constitutes a separate offense.

Added by Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.
Renumbered from Health & Safety Code Sec. 822.011 and amended by
Acts 2003, 78th Leg., ch. 1002, Sec. 1, eff. Sept. 1, 2003.

Sec. 822.013. DOGS OR COYOTES THAT ATTACK ANIMALS. (a) A dog or coyote that is attacking, is about to attack, or has recently attacked livestock, domestic animals, or fowls may be killed by:

(1) any person witnessing the attack; or

(2) the attacked animal's owner or a person acting on behalf of the owner if the owner or person has knowledge of the attack.

(b) A person who kills a dog or coyote as provided by this section is not liable for damages to the owner, keeper, or person in control of the dog or coyote.

(c) A person who discovers on the person's property a dog or coyote known or suspected of having killed livestock, domestic animals, or fowls may detain or impound the dog or coyote and return it to its owner or deliver the dog or coyote to the local animal control authority. The owner of the dog or coyote is liable for all costs incurred in the capture and care of the dog or coyote and all damage done by the dog or coyote.

(d) The owner, keeper, or person in control of a dog or coyote that is known to have attacked livestock, domestic animals, or fowls shall control the dog or coyote in a manner approved by the local

animal control authority.

(e) A person is not required to acquire a hunting license under Section 42.002, Parks and Wildlife Code, to kill a dog or coyote under this section.

Added by Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.
Renumbered from Health & Safety Code Sec. 822.033 and amended by
Acts 2003, 78th Leg., ch. 1002, Sec. 1, eff. Sept. 1, 2003.

SUBCHAPTER C. COUNTY REGISTRATION AND REGULATION OF DOGS

Sec. 822.021. APPLICATION TO COUNTIES THAT ADOPT SUBCHAPTER. This subchapter applies only to a county that adopts this subchapter by a majority vote of the qualified voters of the county voting at an election held under this subchapter. This subchapter shall not apply to any county or municipality that enacts or has enacted registration or restraint laws pursuant to Chapter 826 (Rabies Control Act of 1981).

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989. Amended by Acts 1995, 74th Leg., ch. 489, Sec. 1, eff. Aug. 28, 1995.

Sec. 822.022. PETITION FOR ELECTION. (a) On receiving a petition signed by at least 100 qualified property taxpaying voters of the county or a majority of the qualified property taxpaying voters of the county, whichever is less, the commissioners court of a county shall order an election to determine whether the registration of and registration fee for dogs will be required in the county.

(b) The election shall be held on the first authorized uniform election date prescribed by the Election Code that allows sufficient time to comply with other requirements of law.

Acts 1989, 71st Leg., ch. 678, Sec. 1, eff. Sept. 1, 1989.

Sec. 822.023. NOTICE. In addition to the notice required by Section 4.003, Election Code, notice of an election under this subchapter shall be published at least once in an English language

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than 2:00 p.m. on WEDNESDAY.

Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: Discussion and Possible Action to appoint a fourth Board of Directors member to the West Travis County Public Utility Agency.

TYPE OF ITEM: ACTION/MISC.

PREFERRED MEETING DATE REQUESTED: February 28, 2012

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY: WHISENANT

SPONSORED BY: WHISENANT

SUMMARY: Commissioner Whisenant, Precinct 4 Commissioner, and a citizens' committee formed by the Precinct 4 Commissioner, will be present to make a recommendation for appointment to the PUA Board of Directors. The PUA Agency Rules require that the fourth and fifth Directors be unanimously accepted by the existing Board of the PUA. The fourth Board of Directors member is appointed by Hays County, and the fifth Board of Directors member is appointed by the City of Bee Cave. After these entities have made their selections, the appointments will be considered at a meeting of the West Travis County PUA.

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than **2:00 p.m.** on **WEDNESDAY.**

Phone (512) 393-2205

AGENDA ITEM: Executive Session pursuant to Sections 551.071 and 551.072 of the Texas Government Code: consultation with counsel and deliberation regarding the purchase, exchange, or value of real property related to the marketing and potential sale of County owned properties. Possible action may follow in open court.

CHECK ONE: **CONSENT** **ACTION** **X EXECUTIVE SESSION**
WORKSHOP **PROCLAMATION** **PRESENTATION**

PREFERRED MEETING DATE REQUESTED: 2/28/12

AMOUNT REQUIRED:

LINE ITEM NUMBER OF FUNDS REQUIRED:

REQUESTED BY:

SPONSORED BY: Cobb

Agenda Item Request Form

Hays County Commissioners' Court

9:00 a.m. Every Tuesday

Request forms are due in the County Judge's Office

no later than 2:00 p.m. on WEDNESDAY.

Phone (512) 393-2205 Fax (512) 393-2282

AGENDA ITEM: Executive Session pursuant to Sections 551.071 and 551.072 of the Texas Government Code: consultation with counsel and deliberation regarding Right of Way acquisition on Crystal Meadow Drive in Precinct 2. Possible action may follow in open Court.

TYPE OF ITEM: Executive

PREFERRED MEETING DATE REQUESTED: February 28, 2012

AMOUNT REQUIRED: TBD

LINE ITEM NUMBER OF FUNDS REQUIRED: TBD

REQUESTED BY: JONES

SPONSORED BY: JONES

SUMMARY: Summary to be provided in Executive Session.