

**AGENDA ITEM REQUEST FORM**

**Hays County Commissioners Court**

Tuesdays at 9:00 AM

Request forms are due in Microsoft Word Format via email by 2:00 p.m. on Wednesday.

**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; Establishing Procedures for Selling and Delivering the 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.

| ITEM TYPE            | MEETING DATE  | AMOUNT REQUIRED |
|----------------------|---------------|-----------------|
| ACTION-MISCELLANEOUS | March 5, 2013 |                 |

**LINE ITEM NUMBER**  
[Empty Box]

**AUDITOR USE ONLY**

**AUDITOR COMMENTS:**

**PURCHASING GUIDELINES FOLLOWED:** N/A      **AUDITOR REVIEW:** N/A

| REQUESTED BY | SPONSOR | CO-SPONSOR |
|--------------|---------|------------|
|              | COBB    | N/A        |

**SUMMARY**  
[Empty Box]



**Hays County, Texas**  
**Limited Tax Refunding Bonds, Series 2013 ("Bonds")**  
**Preliminary Refunding Analysis**

**Amount to be Refunded:**

|   |              |
|---|--------------|
| General Obligation Refunding & Improvement Bonds, Series 2003 | \$1,785,000  |
| Unlimited Tax Road Bonds, Series 2004                         | \$770,000    |
| Certificates of Obligation, Series 2005                       | \$3,560,000  |
| Unlimited Tax Road Bonds, Series 2006                         | \$12,465,000 |
| Pass-Through Toll Revenue & Limited Tax Bonds, Series 2009    | \$8,485,000  |

Interest Rates on Refunded Bonds: 4.000%- 5.125%

**Projected Refunding Issue:**

|   |              |
|---|--------------|
| Estimated Interest Rate on Refunding Bonds (same term): | \$26,890,000 |
| Total Estimated Savings:                                | 3.078%       |
| Estimated Present Value Savings                         | \$3,487,143  |
|   | 9.315%       |

| Refunded Bonds  |            |                |               |           |
|-----------------|------------|----------------|---------------|-----------|
| Issue           | Maturities | Interest Rates | Amount        | Callable  |
| Series 2003     | 2014-2023  | 4.00%-4.75%    | \$ 1,785,000  | 8/15/2013 |
| Series 2004     | 2015       | 5.00%          | 770,000       | 8/15/2014 |
| Series 2005     | 2017-2030  | 4.00%-4.50%    | \$ 3,560,000  | 8/15/2015 |
| Series 2006     | 2017-2031  | 4.30%-5.125%   | 12,465,000    | 2/15/2015 |
| Series 2009 PTT | 2030-2032  | 4.75%-5.00%    | 8,485,000     | 2/15/2015 |
| Total           |            |                | \$ 27,065,000 |           |

| Preliminary Summary of Results                                      |                     |
|---|---------------------|
| Par Amount of Refunding Bonds                                       | \$ 26,890,000       |
| Est. True Interest Cost (TIC)                                       | 3.078%              |
| <b>Total Debt Service Savings</b>                                   | <b>\$ 3,487,143</b> |
| <b>Net Present Value Savings (\$)</b>                               | <b>\$ 2,521,105</b> |
| <b>Net Present Value Savings (%)</b>                                | <b>9.315%</b>       |
| Negative Arbitrage in Escrow  | \$ (1,135,402)      |
| Captured Benefit = NPV Savings / (NPV Savings + Negative Arbitrage) | 68.948%             |

| Projected Annual Savings |                       |                       |                     |
|--------------------------|-----------------------|-----------------------|---------------------|
| FYE 9/30                 | Existing D/S          | Post-Ref Net D/S      | Savings             |
| 2013                     | \$ 2,338,483          | \$ 2,334,943          | \$ 3,539            |
| 2014                     | 5,827,053             | 5,642,381             | 184,671             |
| 2015                     | 5,697,481             | 5,511,559             | 185,921             |
| 2016                     | 4,988,715             | 4,804,219             | 184,496             |
| 2017                     | 5,154,714             | 4,971,500             | 183,214             |
| 2018                     | 5,305,646             | 5,122,950             | 182,696             |
| 2019                     | 5,460,862             | 5,274,975             | 185,887             |
| 2020                     | 5,619,243             | 5,436,650             | 182,593             |
| 2021                     | 5,788,475             | 5,605,225             | 183,250             |
| 2022                     | 6,297,413             | 6,114,400             | 183,013             |
| 2023                     | 6,474,888             | 6,292,675             | 182,213             |
| 2024                     | 6,496,363             | 6,315,050             | 181,313             |
| 2025                     | 6,100,622             | 5,915,450             | 185,172             |
| 2026                     | 6,054,700             | 5,871,675             | 183,025             |
| 2027                     | 6,120,269             | 5,936,875             | 183,394             |
| 2028                     | 6,203,469             | 6,022,175             | 181,294             |
| 2029                     | 6,439,975             | 6,257,500             | 182,475             |
| 2030                     | 5,172,528             | 4,988,500             | 184,028             |
| 2031                     | 3,715,775             | 3,533,200             | 182,575             |
| 2032                     | 2,885,375             | 2,703,000             | 182,375             |
|                          | <b>\$ 108,142,045</b> | <b>\$ 104,654,903</b> | <b>\$ 3,487,143</b> |

Note: All assumptions are as of February 1, 2013 for purposes of illustration only. Preliminary, subject to change.



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**Hays County, Texas**  
**Limited Tax Refunding Bonds, Series 2013 (“Bonds”)**

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**Timeline of Events – Negotiated Sale**

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- |                           |  |
|---------------------------|--|
| Tuesday, March 5, 2013*   | <ul style="list-style-type: none"><li>Commissioners’ Court considers a Parameters/Delegation Order authorizing the sale of Refunding Bonds.</li></ul>                              |
| Week of April 8, 2013     | <ul style="list-style-type: none"><li>Bond Rating Conference Calls.</li></ul>  |
| Monday, April 15, 2013    | <ul style="list-style-type: none"><li>Official Statement (OS) is electronically distributed by SPFI to underwriters.</li></ul>   |
| Wednesday, April 17, 2013 | <ul style="list-style-type: none"><li>S&amp;P and Fitch assign bond ratings.</li></ul>   |
| Week of April 22, 2013    | <ul style="list-style-type: none"><li><u>Pricing.</u> Bonds are sold through negotiated sale. Bonds are awarded based on parameters established by Commissioners’ Court.</li></ul> |
| Tuesday, May 21, 2013     | <ul style="list-style-type: none"><li>Closing. Bonds are delivered and proceeds distributed.</li></ul>   |

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\* Requires Official Commissioners’ Court Meeting.

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Sources & Uses**

Dated 04/15/2013 | Delivered 05/21/2013

**Sources Of Funds**

|  |                 |
|--|-----------------|
| Par Amount of Bonds                            | \$26,890,000.00 |
| Reoffering Premium                             | 2,503,784.00    |
| Accrued Interest from 04/15/2013 to 05/21/2013 | 101,815.00      |
| Transfers from Prior Issue Debt Service Funds  | 400,000.00      |

**Total Sources** **\$29,895,599.00**

**Uses Of Funds**

|                                       |               |
|---------------------------------------|---------------|
| Total Underwriter's Discount (0.675%) | 181,507.50    |
| Costs of Issuance                     | 160,000.00    |
| Deposit to Debt Service Fund          | 101,815.00    |
| Deposit to Net Cash Escrow Fund       | 29,448,954.49 |
| Rounding Amount                       | 3,322.01      |

**Total Uses** **\$29,895,599.00**



Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Pricing Summary**

| <b>Maturity</b> | <b>Type of Bond</b> | <b>Coupon</b> | <b>Yield</b> | <b>Maturity Value</b>  | <b>Price</b> | <b>Dollar Price</b>    |
|-----------------|---------------------|---------------|--------------|------------------------|--------------|------------------------|
| 02/15/2014      | Serial Coupon       | 2.000%        | 0.400%       | 225,000.00             | 101.170%     | 227,632.50             |
| 02/15/2015      | Serial Coupon       | 2.000%        | 0.600%       | 1,000,000.00           | 102.410%     | 1,024,100.00           |
| 02/15/2016      | Serial Coupon       | 3.000%        | 0.800%       | 210,000.00             | 105.935%     | 222,463.50             |
| 02/15/2017      | Serial Coupon       | 3.000%        | 0.980%       | 1,000,000.00           | 107.386%     | 1,073,860.00           |
| 02/15/2018      | Serial Coupon       | 3.000%        | 1.170%       | 1,030,000.00           | 108.401%     | 1,116,530.30           |
| 02/15/2019      | Serial Coupon       | 3.000%        | 1.460%       | 1,055,000.00           | 108.439%     | 1,144,031.45           |
| 02/15/2020      | Serial Coupon       | 4.000%        | 1.700%       | 1,095,000.00           | 114.572%     | 1,254,563.40           |
| 02/15/2021      | Serial Coupon       | 4.000%        | 1.910%       | 1,145,000.00           | 114.957%     | 1,316,257.65           |
| 02/15/2022      | Serial Coupon       | 4.000%        | 2.090%       | 1,190,000.00           | 115.172%     | 1,370,546.80           |
| 02/15/2023      | Serial Coupon       | 4.000%        | 2.370%       | 1,240,000.00           | 114.091%     | 1,414,728.40           |
| 02/15/2024      | Serial Coupon       | 4.000%        | 2.560%       | 1,060,000.00           | 112.333% c   | 1,190,729.80           |
| 02/15/2025      | Serial Coupon       | 4.000%        | 2.700%       | 1,095,000.00           | 111.058% c   | 1,216,085.10           |
| 02/15/2026      | Serial Coupon       | 4.000%        | 2.780%       | 1,150,000.00           | 110.337% c   | 1,268,875.50           |
| 02/15/2027      | Serial Coupon       | 4.000%        | 2.850%       | 1,190,000.00           | 109.711% c   | 1,305,560.90           |
| 02/15/2028      | Serial Coupon       | 4.000%        | 2.920%       | 1,245,000.00           | 109.089% c   | 1,358,158.05           |
| 02/15/2029      | Serial Coupon       | 4.000%        | 2.980%       | 1,295,000.00           | 108.559% c   | 1,405,839.05           |
| 02/15/2030      | Serial Coupon       | 4.000%        | 3.040%       | 4,655,000.00           | 108.032% c   | 5,028,889.60           |
| 02/15/2031      | Serial Coupon       | 4.000%        | 3.090%       | 3,360,000.00           | 107.595% c   | 3,615,192.00           |
| 02/15/2032      | Serial Coupon       | 4.000%        | 3.140%       | 2,650,000.00           | 107.160% c   | 2,839,740.00           |
| <b>Total</b>    | -                   | -             | -            | <b>\$26,890,000.00</b> | -            | <b>\$29,393,784.00</b> |

**Bid Information**

|  |                 |
|--|-----------------|
| Par Amount of Bonds                            | \$26,890,000.00 |
| Reoffering Premium or (Discount)               | 2,503,784.00    |
| Gross Production                               | \$29,393,784.00 |
| Total Underwriter's Discount (0.675%)          | \$(181,507.50)  |
| Bid (108.636%)                                 | 29,212,276.50   |
| Accrued Interest from 04/15/2013 to 05/21/2013 | 101,815.00      |
| Total Purchase Price                           | \$29,314,091.50 |
| Bond Year Dollars                              | \$339,558.33    |
| Average Life                                   | 12.628 Years    |
| Average Coupon                                 | 3.9422706%      |
| Net Interest Cost (NIC)                        | 3.2583597%      |
| True Interest Cost (TIC)                       | 3.0781505%      |

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Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Debt Service Schedule**

Part 1 of 2

| Date       | Principal    | Coupon | Interest   | Total P+I    | Fiscal Total |
|------------|--------------|--------|------------|--------------|--------------|
| 05/21/2013 | -            | -      | -          | -            | -            |
| 08/15/2013 | -            | -      | 339,383.33 | 339,383.33   | -            |
| 09/30/2013 | -            | -      | -          | -            | 339,383.33   |
| 02/15/2014 | 225,000.00   | 2.000% | 509,075.00 | 734,075.00   | -            |
| 08/15/2014 | -            | -      | 506,825.00 | 506,825.00   | -            |
| 09/30/2014 | -            | -      | -          | -            | 1,240,900.00 |
| 02/15/2015 | 1,000,000.00 | 2.000% | 506,825.00 | 1,506,825.00 | -            |
| 08/15/2015 | -            | -      | 496,825.00 | 496,825.00   | -            |
| 09/30/2015 | -            | -      | -          | -            | 2,003,650.00 |
| 02/15/2016 | 210,000.00   | 3.000% | 496,825.00 | 706,825.00   | -            |
| 08/15/2016 | -            | -      | 493,675.00 | 493,675.00   | -            |
| 09/30/2016 | -            | -      | -          | -            | 1,200,500.00 |
| 02/15/2017 | 1,000,000.00 | 3.000% | 493,675.00 | 1,493,675.00 | -            |
| 08/15/2017 | -            | -      | 478,675.00 | 478,675.00   | -            |
| 09/30/2017 | -            | -      | -          | -            | 1,972,350.00 |
| 02/15/2018 | 1,030,000.00 | 3.000% | 478,675.00 | 1,508,675.00 | -            |
| 08/15/2018 | -            | -      | 463,225.00 | 463,225.00   | -            |
| 09/30/2018 | -            | -      | -          | -            | 1,971,900.00 |
| 02/15/2019 | 1,055,000.00 | 3.000% | 463,225.00 | 1,518,225.00 | -            |
| 08/15/2019 | -            | -      | 447,400.00 | 447,400.00   | -            |
| 09/30/2019 | -            | -      | -          | -            | 1,965,625.00 |
| 02/15/2020 | 1,095,000.00 | 4.000% | 447,400.00 | 1,542,400.00 | -            |
| 08/15/2020 | -            | -      | 425,500.00 | 425,500.00   | -            |
| 09/30/2020 | -            | -      | -          | -            | 1,967,900.00 |
| 02/15/2021 | 1,145,000.00 | 4.000% | 425,500.00 | 1,570,500.00 | -            |
| 08/15/2021 | -            | -      | 402,600.00 | 402,600.00   | -            |
| 09/30/2021 | -            | -      | -          | -            | 1,973,100.00 |
| 02/15/2022 | 1,190,000.00 | 4.000% | 402,600.00 | 1,592,600.00 | -            |
| 08/15/2022 | -            | -      | 378,800.00 | 378,800.00   | -            |
| 09/30/2022 | -            | -      | -          | -            | 1,971,400.00 |
| 02/15/2023 | 1,240,000.00 | 4.000% | 378,800.00 | 1,618,800.00 | -            |
| 08/15/2023 | -            | -      | 354,000.00 | 354,000.00   | -            |
| 09/30/2023 | -            | -      | -          | -            | 1,972,800.00 |
| 02/15/2024 | 1,060,000.00 | 4.000% | 354,000.00 | 1,414,000.00 | -            |
| 08/15/2024 | -            | -      | 332,800.00 | 332,800.00   | -            |
| 09/30/2024 | -            | -      | -          | -            | 1,746,800.00 |
| 02/15/2025 | 1,095,000.00 | 4.000% | 332,800.00 | 1,427,800.00 | -            |
| 08/15/2025 | -            | -      | 310,900.00 | 310,900.00   | -            |
| 09/30/2025 | -            | -      | -          | -            | 1,738,700.00 |
| 02/15/2026 | 1,150,000.00 | 4.000% | 310,900.00 | 1,460,900.00 | -            |
| 08/15/2026 | -            | -      | 287,900.00 | 287,900.00   | -            |

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Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Debt Service Schedule**

Part 2 of 2

| Date         | Principal              | Coupon   | Interest               | Total P+I              | Fiscal Total |
|--------------|------------------------|----------|------------------------|------------------------|--------------|
| 09/30/2026   | -                      | -        | -                      | -                      | 1,748,800.00 |
| 02/15/2027   | 1,190,000.00           | 4.000%   | 287,900.00             | 1,477,900.00           | -            |
| 08/15/2027   | -                      | -        | 264,100.00             | 264,100.00             | -            |
| 09/30/2027   | -                      | -        | -                      | -                      | 1,742,000.00 |
| 02/15/2028   | 1,245,000.00           | 4.000%   | 264,100.00             | 1,509,100.00           | -            |
| 08/15/2028   | -                      | -        | 239,200.00             | 239,200.00             | -            |
| 09/30/2028   | -                      | -        | -                      | -                      | 1,748,300.00 |
| 02/15/2029   | 1,295,000.00           | 4.000%   | 239,200.00             | 1,534,200.00           | -            |
| 08/15/2029   | -                      | -        | 213,300.00             | 213,300.00             | -            |
| 09/30/2029   | -                      | -        | -                      | -                      | 1,747,500.00 |
| 02/15/2030   | 4,655,000.00           | 4.000%   | 213,300.00             | 4,868,300.00           | -            |
| 08/15/2030   | -                      | -        | 120,200.00             | 120,200.00             | -            |
| 09/30/2030   | -                      | -        | -                      | -                      | 4,988,500.00 |
| 02/15/2031   | 3,360,000.00           | 4.000%   | 120,200.00             | 3,480,200.00           | -            |
| 08/15/2031   | -                      | -        | 53,000.00              | 53,000.00              | -            |
| 09/30/2031   | -                      | -        | -                      | -                      | 3,533,200.00 |
| 02/15/2032   | 2,650,000.00           | 4.000%   | 53,000.00              | 2,703,000.00           | -            |
| 09/30/2032   | -                      | -        | -                      | -                      | 2,703,000.00 |
| <b>Total</b> | <b>\$26,890,000.00</b> | <b>-</b> | <b>\$13,386,308.33</b> | <b>\$40,276,308.33</b> | <b>-</b>     |

**Yield Statistics**

|  |              |
|--|--------------|
| Accrued Interest from 04/15/2013 to 05/21/2013 | 101,815.00   |
| Bond Year Dollars                              | \$339,558.33 |
| Average Life                                   | 12.628 Years |
| Average Coupon                                 | 3.9422706%   |
| Net Interest Cost (NIC)                        | 3.2583597%   |
| True Interest Cost (TIC)                       | 3.0781505%   |
| Bond Yield for Arbitrage Purposes              | 2.6677069%   |
| All Inclusive Cost (AIC)                       | 3.1298627%   |

**IRS Form 8038**

|                           |              |
|---------------------------|--------------|
| Net Interest Cost         | 2.9335975%   |
| Weighted Average Maturity | 12.502 Years |

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Proof of Premium Bond Selection of Call Dates/Prices**

| <b>Maturity</b> | <b>Call Date</b> | <b>Call Price</b> | <b>PV at Bond Yield</b> | <b>Lowest?</b> |
|-----------------|------------------|-------------------|-------------------------|----------------|
| 02/15/2024      | -                | -                 | 1,195,304.71            | No             |
| 02/15/2024      | 02/15/2023       | 100.000%          | 1,184,607.73            | Yes            |
| 02/15/2025      | -                | -                 | 1,245,533.51            | No             |
| 02/15/2025      | 02/15/2023       | 100.000%          | 1,223,722.14            | Yes            |
| 02/15/2026      | -                | -                 | 1,319,100.70            | No             |
| 02/15/2026      | 02/15/2023       | 100.000%          | 1,285,187.63            | Yes            |
| 02/15/2027      | -                | -                 | 1,376,073.58            | No             |
| 02/15/2027      | 02/15/2023       | 100.000%          | 1,329,889.81            | Yes            |
| 02/15/2028      | -                | -                 | 1,450,973.87            | No             |
| 02/15/2028      | 02/15/2023       | 100.000%          | 1,391,355.31            | Yes            |
| 02/15/2029      | -                | -                 | 1,520,692.60            | No             |
| 02/15/2029      | 02/15/2023       | 100.000%          | 1,447,233.03            | Yes            |
| 02/15/2030      | -                | -                 | 5,506,343.47            | No             |
| 02/15/2030      | 02/15/2023       | 100.000%          | 5,202,216.03            | Yes            |
| 02/15/2031      | -                | -                 | 4,002,669.93            | No             |
| 02/15/2031      | 02/15/2023       | 100.000%          | 3,754,983.00            | Yes            |
| 02/15/2032      | -                | -                 | 3,178,501.23            | No             |
| 02/15/2032      | 02/15/2023       | 100.000%          | 2,961,519.32            | Yes            |

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Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Proof of D/S for Arbitrage Purposes**

| <b>Date</b>  | <b>Principal</b>       | <b>Interest</b>       | <b>Total</b>           |
|--------------|------------------------|-----------------------|------------------------|
| 05/21/2013   | -                      | -                     | -                      |
| 08/15/2013   | -                      | 339,383.33            | 339,383.33             |
| 02/15/2014   | 225,000.00             | 509,075.00            | 734,075.00             |
| 08/15/2014   | -                      | 506,825.00            | 506,825.00             |
| 02/15/2015   | 1,000,000.00           | 506,825.00            | 1,506,825.00           |
| 08/15/2015   | -                      | 496,825.00            | 496,825.00             |
| 02/15/2016   | 210,000.00             | 496,825.00            | 706,825.00             |
| 08/15/2016   | -                      | 493,675.00            | 493,675.00             |
| 02/15/2017   | 1,000,000.00           | 493,675.00            | 1,493,675.00           |
| 08/15/2017   | -                      | 478,675.00            | 478,675.00             |
| 02/15/2018   | 1,030,000.00           | 478,675.00            | 1,508,675.00           |
| 08/15/2018   | -                      | 463,225.00            | 463,225.00             |
| 02/15/2019   | 1,055,000.00           | 463,225.00            | 1,518,225.00           |
| 08/15/2019   | -                      | 447,400.00            | 447,400.00             |
| 02/15/2020   | 1,095,000.00           | 447,400.00            | 1,542,400.00           |
| 08/15/2020   | -                      | 425,500.00            | 425,500.00             |
| 02/15/2021   | 1,145,000.00           | 425,500.00            | 1,570,500.00           |
| 08/15/2021   | -                      | 402,600.00            | 402,600.00             |
| 02/15/2022   | 1,190,000.00           | 402,600.00            | 1,592,600.00           |
| 08/15/2022   | -                      | 378,800.00            | 378,800.00             |
| 02/15/2023   | 18,940,000.00          | 378,800.00            | 19,318,800.00          |
| <b>Total</b> | <b>\$26,890,000.00</b> | <b>\$9,035,508.33</b> | <b>\$35,925,508.33</b> |

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Proof Of Bond Yield @ 2.6677069%**

| Date         | Cashflow               | PV Factor  | Present Value          | Cumulative PV |
|--------------|------------------------|------------|------------------------|---------------|
| 05/21/2013   | -                      | 1.0000000x | -                      | -             |
| 08/15/2013   | 339,383.33             | 0.9938356x | 337,291.23             | 337,291.23    |
| 02/15/2014   | 734,075.00             | 0.9807538x | 719,946.82             | 1,057,238.04  |
| 08/15/2014   | 506,825.00             | 0.9678441x | 490,527.60             | 1,547,765.65  |
| 02/15/2015   | 1,506,825.00           | 0.9551044x | 1,439,175.25           | 2,986,940.90  |
| 08/15/2015   | 496,825.00             | 0.9425324x | 468,273.68             | 3,455,214.58  |
| 02/15/2016   | 706,825.00             | 0.9301259x | 657,436.26             | 4,112,650.84  |
| 08/15/2016   | 493,675.00             | 0.9178827x | 453,135.75             | 4,565,786.59  |
| 02/15/2017   | 1,493,675.00           | 0.9058007x | 1,352,971.80           | 5,918,758.39  |
| 08/15/2017   | 478,675.00             | 0.8938776x | 427,876.88             | 6,346,635.27  |
| 02/15/2018   | 1,508,675.00           | 0.8821116x | 1,330,819.67           | 7,677,454.94  |
| 08/15/2018   | 463,225.00             | 0.8705004x | 403,237.53             | 8,080,692.48  |
| 02/15/2019   | 1,518,225.00           | 0.8590420x | 1,304,219.05           | 9,384,911.53  |
| 08/15/2019   | 447,400.00             | 0.8477345x | 379,276.40             | 9,764,187.93  |
| 02/15/2020   | 1,542,400.00           | 0.8365758x | 1,290,334.48           | 11,054,522.41 |
| 08/15/2020   | 425,500.00             | 0.8255640x | 351,277.47             | 11,405,799.88 |
| 02/15/2021   | 1,570,500.00           | 0.8146971x | 1,279,481.79           | 12,685,281.67 |
| 08/15/2021   | 402,600.00             | 0.8039733x | 323,679.64             | 13,008,961.31 |
| 02/15/2022   | 1,592,600.00           | 0.7933906x | 1,263,553.88           | 14,272,515.19 |
| 08/15/2022   | 378,800.00             | 0.7829472x | 296,580.41             | 14,569,095.60 |
| 02/15/2023   | 19,318,800.00          | 0.7726413x | 14,926,503.40          | 29,495,599.00 |
| <b>Total</b> | <b>\$35,925,508.33</b> | -          | <b>\$29,495,599.00</b> | -             |

**Derivation Of Target Amount**

|  |                 |
|--|-----------------|
| Par Amount of Bonds                            | \$26,890,000.00 |
| Reoffering Premium or (Discount)               | 2,503,784.00    |
| Accrued Interest from 04/15/2013 to 05/21/2013 | 101,815.00      |
| Original Issue Proceeds                        | \$29,495,599.00 |

Preliminary

## Hays County, Texas

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

### Derivation Of Form 8038 Yield Statistics

| Maturity     | Issuance Value         | Price    | Issuance Price         | Exponent    | Bond Years              |
|--------------|------------------------|----------|------------------------|-------------|-------------------------|
| 05/21/2013   | -                      | -        | -                      | -           | -                       |
| 02/15/2014   | 225,000.00             | 101.170% | 227,632.50             | 0.7333333x  | 166,930.50              |
| 02/15/2015   | 1,000,000.00           | 102.410% | 1,024,100.00           | 1.7333333x  | 1,775,106.67            |
| 02/15/2016   | 210,000.00             | 105.935% | 222,463.50             | 2.7333333x  | 608,066.90              |
| 02/15/2017   | 1,000,000.00           | 107.386% | 1,073,860.00           | 3.7333333x  | 4,009,077.33            |
| 02/15/2018   | 1,030,000.00           | 108.401% | 1,116,530.30           | 4.7333333x  | 5,284,910.09            |
| 02/15/2019   | 1,055,000.00           | 108.439% | 1,144,031.45           | 5.7333333x  | 6,559,113.65            |
| 02/15/2020   | 1,095,000.00           | 114.572% | 1,254,563.40           | 6.7333333x  | 8,447,393.56            |
| 02/15/2021   | 1,145,000.00           | 114.957% | 1,316,257.65           | 7.7333333x  | 10,179,059.16           |
| 02/15/2022   | 1,190,000.00           | 115.172% | 1,370,546.80           | 8.7333333x  | 11,969,442.05           |
| 02/15/2023   | 1,240,000.00           | 114.091% | 1,414,728.40           | 9.7333333x  | 13,770,023.09           |
| 02/15/2024   | 1,060,000.00           | 112.333% | 1,190,729.80           | 10.7333333x | 12,780,499.85           |
| 02/15/2025   | 1,095,000.00           | 111.058% | 1,216,085.10           | 11.7333333x | 14,268,731.84           |
| 02/15/2026   | 1,150,000.00           | 110.337% | 1,268,875.50           | 12.7333333x | 16,157,014.70           |
| 02/15/2027   | 1,190,000.00           | 109.711% | 1,305,560.90           | 13.7333333x | 17,929,703.03           |
| 02/15/2028   | 1,245,000.00           | 109.089% | 1,358,158.05           | 14.7333333x | 20,010,195.27           |
| 02/15/2029   | 1,295,000.00           | 108.559% | 1,405,839.05           | 15.7333333x | 22,118,534.39           |
| 02/15/2030   | 4,655,000.00           | 108.032% | 5,028,889.60           | 16.7333333x | 84,150,085.97           |
| 02/15/2031   | 3,360,000.00           | 107.595% | 3,615,192.00           | 17.7333333x | 64,109,404.80           |
| 02/15/2032   | 2,650,000.00           | 107.160% | 2,839,740.00           | 18.7333333x | 53,197,796.00           |
| <b>Total</b> | <b>\$26,890,000.00</b> | <b>-</b> | <b>\$29,393,784.00</b> | <b>-</b>    | <b>\$367,491,088.85</b> |

#### IRS Form 8038

|  |                |
|--|----------------|
| Weighted Average Maturity = Bond Years/Issue Price | 12.502 Years   |
| Total Interest from Debt Service                   | 13,386,308.33  |
| Accrued Interest from 04/15/2013 to 05/21/2013     | (101,815.00)   |
| Reoffering (Premium) or Discount                   | (2,503,784.00) |
| Total Interest                                     | 10,780,709.33  |
| NIC = Interest / (Issue Price * Average Maturity)  | 2.9335975%     |
| Bond Yield for Arbitrage Purposes                  | 2.6677069%     |

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## Hays County, Texas

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

### Debt Service Comparison

| Date         | Total P+I              | Existing D/S           | Net New D/S             | Old Net D/S             | Savings               |
|--------------|------------------------|------------------------|-------------------------|-------------------------|-----------------------|
| 09/30/2013   | 339,383.33             | 2,100,696.87           | 2,334,943.19            | 2,338,482.50            | 3,539.31              |
| 09/30/2014   | 1,240,900.00           | 4,401,481.24           | 5,642,381.24            | 5,827,052.50            | 184,671.26            |
| 09/30/2015   | 2,003,650.00           | 3,507,909.37           | 5,511,559.37            | 5,697,480.63            | 185,921.26            |
| 09/30/2016   | 1,200,500.00           | 3,603,718.75           | 4,804,218.75            | 4,988,715.01            | 184,496.26            |
| 09/30/2017   | 1,972,350.00           | 2,999,150.00           | 4,971,500.00            | 5,154,713.76            | 183,213.76            |
| 09/30/2018   | 1,971,900.00           | 3,151,050.00           | 5,122,950.00            | 5,305,646.26            | 182,696.26            |
| 09/30/2019   | 1,965,625.00           | 3,309,350.00           | 5,274,975.00            | 5,460,861.88            | 185,886.88            |
| 09/30/2020   | 1,967,900.00           | 3,468,750.00           | 5,436,650.00            | 5,619,242.50            | 182,592.50            |
| 09/30/2021   | 1,973,100.00           | 3,632,125.00           | 5,605,225.00            | 5,788,475.00            | 183,250.00            |
| 09/30/2022   | 1,971,400.00           | 4,143,000.00           | 6,114,400.00            | 6,297,412.50            | 183,012.50            |
| 09/30/2023   | 1,972,800.00           | 4,319,875.00           | 6,292,675.00            | 6,474,887.50            | 182,212.50            |
| 09/30/2024   | 1,746,800.00           | 4,568,250.00           | 6,315,050.00            | 6,496,362.50            | 181,312.50            |
| 09/30/2025   | 1,738,700.00           | 4,176,750.00           | 5,915,450.00            | 6,100,621.88            | 185,171.88            |
| 09/30/2026   | 1,748,800.00           | 4,122,875.00           | 5,871,675.00            | 6,054,700.01            | 183,025.01            |
| 09/30/2027   | 1,742,000.00           | 4,194,875.00           | 5,936,875.00            | 6,120,268.76            | 183,393.76            |
| 09/30/2028   | 1,748,300.00           | 4,273,875.00           | 6,022,175.00            | 6,203,468.76            | 181,293.76            |
| 09/30/2029   | 1,747,500.00           | 4,510,000.00           | 6,257,500.00            | 6,439,975.01            | 182,475.01            |
| 09/30/2030   | 4,988,500.00           | -                      | 4,988,500.00            | 5,172,528.13            | 184,028.13            |
| 09/30/2031   | 3,533,200.00           | -                      | 3,533,200.00            | 3,715,775.00            | 182,575.00            |
| 09/30/2032   | 2,703,000.00           | -                      | 2,703,000.00            | 2,885,375.00            | 182,375.00            |
| <b>Total</b> | <b>\$40,276,308.33</b> | <b>\$64,483,731.23</b> | <b>\$104,654,902.55</b> | <b>\$108,142,045.09</b> | <b>\$3,487,142.54</b> |

#### PV Analysis Summary (Net to Net)

|  |                |
|--|----------------|
| Gross PV Debt Service Savings                    | 2,815,967.66   |
| Net PV Cashflow Savings @ 3.130%(AIC)            | 2,815,967.66   |
| Accrued Interest Credit to Debt Service Fund     | 101,815.00     |
| Transfers from Prior Issue Debt Service Fund     | (400,000.00)   |
| Contingency or Rounding Amount                   | 3,322.01       |
| Net Present Value Benefit                        | \$2,521,104.67 |
| Net PV Benefit / \$27,065,000 Refunded Principal | 9.315%         |

#### Refunding Bond Information

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

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**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Escrow Fund Cashflow**

| Date         | Principal              | Rate     | Interest            | +Transfers          | Receipts               | Disbursements          | Cash Balance |
|--------------|------------------------|----------|---------------------|---------------------|------------------------|------------------------|--------------|
| 05/21/2013   | -                      | -        | -                   | -                   | 1.49                   | -                      | 1.49         |
| 08/15/2013   | 2,008,396.00           | 0.040%   | 14,352.40           | 400,037.70          | 2,422,786.10           | 2,422,785.63           | 1.96         |
| 02/15/2014   | 568,006.00             | 0.110%   | 30,270.59           | -                   | 598,276.59             | 598,276.88             | 1.67         |
| 08/15/2014   | 1,338,468.00           | 0.160%   | 29,808.40           | -                   | 1,368,276.40           | 1,368,276.88           | 1.19         |
| 02/15/2015   | 21,500,290.00          | 0.220%   | 28,737.63           | -                   | 21,529,027.63          | 21,529,026.88          | 1.94         |
| 08/15/2015   | 3,633,793.00           | 0.280%   | 5,087.31            | -                   | 3,638,880.31           | 3,638,881.25           | 1.00         |
| <b>Total</b> | <b>\$29,048,953.00</b> | <b>-</b> | <b>\$108,256.33</b> | <b>\$400,037.70</b> | <b>\$29,557,248.52</b> | <b>\$29,557,247.52</b> | <b>-</b>     |

**Investment Parameters**

|  |                 |
|--|-----------------|
| Investment Model [PV, GIC, or Securities]          | Securities      |
| Default investment yield target                    | Bond Yield      |
| Cost of Investments Purchased with Fund Transfers  | 400,000.00      |
| Cash Deposit                                       | 1.49            |
| Cost of Investments Purchased with Bond Proceeds   | 29,048,953.00   |
| Total Cost of Investments                          | \$29,448,954.49 |
| Target Cost of Investments at bond yield           | \$27,913,552.78 |
| Actual positive or (negative) arbitrage            | (1,135,401.71)  |
| Yield to Receipt                                   | 0.2259163%      |
| Yield for Arbitrage Purposes                       | 2.6677069%      |
| State and Local Government Series (SLGS) rates for | 2/01/2013       |

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Unrestricted Money Cash Flow**

| <b>Date</b>  | <b>Principal</b>    | <b>Rate</b> | <b>Interest</b> | <b>-Transfers</b>   | <b>Cash Balance</b> |
|--------------|---------------------|-------------|-----------------|---------------------|---------------------|
| 05/21/2013   | -                   | -           | -               | -                   | -                   |
| 08/15/2013   | 400,000.00          | 0.040%      | 37.70           | (400,037.70)        | -                   |
| <b>Total</b> | <b>\$400,000.00</b> | <b>-</b>    | <b>\$37.70</b>  | <b>(400,037.70)</b> | <b>-</b>            |

**Composition Of Initial Deposit**

|   |              |
|---|--------------|
| Cost of Investments Purchased with Fund Transfers | 400,000.00   |
| Total Cost of Investments                         | \$400,000.00 |

Preliminary

## Hays County, Texas

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

### Escrow Summary Cost

| <u>Maturity</u>                   | <u>Type</u> | <u>Coupon</u> | <u>Yield</u> | <u>\$ Price</u> | <u>Par Amount</u>   | <u>Principal Cost</u>  | <u>+Accrued Interest</u> | <u>= Total Cost</u>    |
|-----------------------------------|-------------|---------------|--------------|-----------------|---------------------|------------------------|--------------------------|------------------------|
| <b>Bond Proceeds Account</b>      |             |               |              |                 |                     |                        |                          |                        |
| 08/15/2013                        | SLGS-CI     | 0.040%        | 0.040%       | 100.0000000%    | 2,008,396           | 2,008,396.00           | -                        | 2,008,396.00           |
| 02/15/2014                        | SLGS-CI     | 0.110%        | 0.110%       | 100.0000000%    | 568,006             | 568,006.00             | -                        | 568,006.00             |
| 08/15/2014                        | SLGS-NT     | 0.160%        | 0.160%       | 100.0000000%    | 1,338,468           | 1,338,468.00           | -                        | 1,338,468.00           |
| 02/15/2015                        | SLGS-NT     | 0.220%        | 0.220%       | 100.0000000%    | 21,500,290          | 21,500,290.00          | -                        | 21,500,290.00          |
| 08/15/2015                        | SLGS-NT     | 0.280%        | 0.280%       | 100.0000000%    | 3,633,793           | 3,633,793.00           | -                        | 3,633,793.00           |
| <b>Subtotal</b>                   |             | -             | -            | -               | <b>\$29,048,953</b> | <b>\$29,048,953.00</b> | -                        | <b>\$29,048,953.00</b> |
| <b>Unrestricted Money Account</b> |             |               |              |                 |                     |                        |                          |                        |
| 08/15/2013                        | SLGS-CI     | 0.040%        | 0.040%       | 100.0000000%    | 400,000             | 400,000.00             | -                        | 400,000.00             |
| <b>Subtotal</b>                   |             | -             | -            | -               | <b>\$400,000</b>    | <b>\$400,000.00</b>    | -                        | <b>\$400,000.00</b>    |
| <b>Total</b>                      |             | -             | -            | -               | <b>\$29,448,953</b> | <b>\$29,448,953.00</b> | -                        | <b>\$29,448,953.00</b> |

#### **Bond Proceeds Account**

|  |                 |
|--|-----------------|
| Cash Deposit                                     | 1.49            |
| Cost of Investments Purchased with Bond Proceeds | 29,048,953.00   |
| Total Cost of Investments                        | \$29,048,954.49 |

#### **Unrestricted Money Account**

|                           |              |
|---------------------------|--------------|
| Cost of Investments       | 400,000.00   |
| Total Cost of Investments | \$400,000.00 |

|                     |                 |
|---------------------|-----------------|
| Cash Deposit        | 1.49            |
| Cost of Investments | 29,448,953.00   |
| Total Deposit       | \$29,448,954.49 |

|               |           |
|---------------|-----------|
| Delivery Date | 5/21/2013 |
|---------------|-----------|

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Summary Of Bonds Refunded**

Part 1 of 3

| Dated  | Issue | Purpose        | Maturity   | Type   | of Bond | Coupon | Maturity Value     | Call Date  | Call Price |
|--|-------|----------------|------------|--------|---------|--------|--------------------|------------|------------|
| <b>Dated 8/15/2008   Delivered 8/15/2008</b> |       |                |            |        |         |        |                    |            |            |
| 05 c/o                                       |       | Single Purpose | 08/15/2017 | Serial | Coupon  | 4.000% | 190,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2018 | Serial | Coupon  | 4.000% | 195,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2019 | Serial | Coupon  | 4.250% | 205,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2020 | Serial | Coupon  | 4.500% | 215,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2021 | Serial | Coupon  | 4.500% | 225,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2022 | Serial | Coupon  | 4.500% | 235,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2023 | Serial | Coupon  | 4.500% | 245,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2024 | Serial | Coupon  | 4.500% | 255,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2025 | Serial | Coupon  | 4.500% | 265,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2026 | Serial | Coupon  | 4.500% | 280,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2027 | Serial | Coupon  | 4.500% | 290,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2028 | Serial | Coupon  | 4.500% | 305,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2029 | Serial | Coupon  | 4.500% | 320,000            | 08/15/2015 | 100.000%   |
| 05 c/o                                       |       | Single Purpose | 08/15/2030 | Serial | Coupon  | 4.500% | 335,000            | 08/15/2015 | 100.000%   |
| <b>Subtotal</b>                              |       |                |            |        |         |        | <b>\$3,560,000</b> | -          | -          |
| <b>Dated 8/15/2008   Delivered 8/15/2008</b> |       |                |            |        |         |        |                    |            |            |
| 06 u/t                                       |       | Single Purpose | 02/15/2017 | Serial | Coupon  | 4.300% | 595,000            | 02/15/2015 | 100.000%   |
| 06 u/t                                       |       | Single Purpose | 02/15/2018 | Serial | Coupon  | 4.375% | 620,000            | 02/15/2015 | 100.000%   |
| 06 u/t                                       |       | Single Purpose | 02/15/2019 | Serial | Coupon  | 4.375% | 645,000            | 02/15/2015 | 100.000%   |
| 06 u/t                                       |       | Single Purpose | 02/15/2020 | Serial | Coupon  | 4.500% | 675,000            | 02/15/2015 | 100.000%   |
| 06 u/t                                       |       | Single Purpose | 02/15/2021 | Serial | Coupon  | 4.500% | 705,000            | 02/15/2015 | 100.000%   |

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Specialized Public Finance Inc.  
Austin, Texas

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Summary Of Bonds Refunded**

Part 2 of 3

| Issue  | Purpose        | Maturity   | Type   | Bond   | Coupon | Maturity Value      | Call Date  | Call Price |
|--|----------------|------------|--------|--------|--------|---------------------|------------|------------|
| 06 u/t                                       | Single Purpose | 02/15/2022 | Serial | Coupon | 4.500% | 740,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2023 | Serial | Coupon | 4.500% | 775,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2024 | Serial | Coupon | 4.500% | 810,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2025 | Serial | Coupon | 4.625% | 845,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2026 | Serial | Coupon | 4.625% | 890,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2027 | Term 1 | Coupon | 5.000% | 930,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2028 | Term 1 | Coupon | 5.000% | 980,000             | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2029 | Term 2 | Coupon | 5.125% | 1,030,000           | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2030 | Term 2 | Coupon | 5.125% | 1,085,000           | 02/15/2015 | 100,000%   |
| 06 u/t                                       | Single Purpose | 02/15/2031 | Term 2 | Coupon | 5.125% | 1,140,000           | 02/15/2015 | 100,000%   |
| <b>Subtotal</b>                              |                |            |        |        |        | <b>\$12,465,000</b> | -          | -          |
| <b>Dated 8/15/2009   Delivered 9/09/2009</b> |                |            |        |        |        |                     |            |            |
| 09 L/T issues FINAL                          | PTF            | 02/15/2030 | Serial | Coupon | 4.750% | 3,320,000           | 02/15/2015 | 100,000%   |
| 09 L/T issues FINAL                          | PTF            | 02/15/2031 | Serial | Coupon | 4.750% | 2,350,000           | 02/15/2015 | 100,000%   |
| 09 L/T issues FINAL                          | PTF            | 02/15/2032 | Serial | Coupon | 5.000% | 2,815,000           | 02/15/2015 | 100,000%   |
| <b>Subtotal</b>                              |                |            |        |        |        | <b>\$8,485,000</b>  | -          | -          |
| <b>Dated 8/15/2008   Delivered 8/15/2008</b> |                |            |        |        |        |                     |            |            |
| 03 ref & imp (27.89% adv ref) -after ref     | Single Purpose | 08/15/2014 | Serial | Coupon | 4.000% | 150,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref) -after ref     | Single Purpose | 08/15/2015 | Serial | Coupon | 4.050% | 150,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref) -after ref     | Single Purpose | 08/15/2016 | Serial | Coupon | 4.150% | 160,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref) -after ref     | Single Purpose | 08/15/2017 | Serial | Coupon | 4.250% | 165,000             | 08/15/2013 | 100,000%   |

13 LT ref (2/1) | SINGLE PURPOSE | 2/27/2013 | 3:19 PM

Specialized Public Finance Inc.  
Austin, Texas

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Summary Of Bonds Refunded**

Part 3 of 3

| Issue  | Purpose        | Maturity   | Type   | of Bond | Coupon | Maturity Value      | Call Date  | Call Price |
|--|----------------|------------|--------|---------|--------|---------------------|------------|------------|
| 03 ref & imp (27.89% adv ref)-after ref      | Single Purpose | 08/15/2018 | Serial | Coupon  | 4.350% | 175,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref)-after ref      | Single Purpose | 08/15/2019 | Serial | Coupon  | 4.450% | 180,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref)-after ref      | Single Purpose | 08/15/2020 | Serial | Coupon  | 4.550% | 185,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref)-after ref      | Single Purpose | 08/15/2021 | Serial | Coupon  | 4.650% | 200,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref)-after ref      | Single Purpose | 08/15/2022 | Serial | Coupon  | 4.750% | 205,000             | 08/15/2013 | 100,000%   |
| 03 ref & imp (27.89% adv ref)-after ref      | Single Purpose | 08/15/2023 | Serial | Coupon  | 4.750% | 215,000             | 08/15/2013 | 100,000%   |
| <b>Subtotal</b>                              |                |            |        |         |        | <b>\$1,785,000</b>  |            |            |
| <b>Dated 8/15/2008   Delivered 8/15/2008</b> |                |            |        |         |        |                     |            |            |
| 04 u/t-after ref                             | Single Purpose | 08/15/2015 | Serial | Coupon  | 5.000% | 770,000             | 08/15/2014 | 100,000%   |
| <b>Subtotal</b>                              |                |            |        |         |        | <b>\$770,000</b>    |            |            |
| <b>Total</b>                                 |                |            |        |         |        | <b>\$27,065,000</b> |            |            |

13 LT ref (2/1) | SINGLE PURPOSE | 2/27/2013 | 3:19 PM

Specialized Public Finance Inc.  
Austin, Texas

Preliminary

**Hays County, Texas**

\$26,890,000 Limited Tax Refunding Bonds, Series 2013

For Purposes of Illustration Only

**Debt Service To Maturity And To Call**

| Date         | Refunded Bonds         | Interest to Call      | D/S To Call            | Principal              | Interest               | Refunded D/S           |
|--------------|------------------------|-----------------------|------------------------|------------------------|------------------------|------------------------|
| 08/15/2013   | 1,785,000.00           | 637,785.63            | 2,422,785.63           | -                      | 637,785.63             | 637,785.63             |
| 02/15/2014   | -                      | 598,276.88            | 598,276.88             | -                      | 637,785.63             | 637,785.63             |
| 08/15/2014   | 770,000.00             | 598,276.88            | 1,368,276.88           | 150,000.00             | 637,785.63             | 787,785.63             |
| 02/15/2015   | 20,950,000.00          | 579,026.88            | 21,529,026.88          | -                      | 634,785.63             | 634,785.63             |
| 08/15/2015   | 3,560,000.00           | 78,881.25             | 3,638,881.25           | 920,000.00             | 634,785.63             | 1,554,785.63           |
| 02/15/2016   | -                      | -                     | -                      | -                      | 612,498.13             | 612,498.13             |
| 08/15/2016   | -                      | -                     | -                      | 160,000.00             | 612,498.13             | 772,498.13             |
| 02/15/2017   | -                      | -                     | -                      | 595,000.00             | 609,178.13             | 1,204,178.13           |
| 08/15/2017   | -                      | -                     | -                      | 355,000.00             | 596,385.63             | 951,385.63             |
| 02/15/2018   | -                      | -                     | -                      | 620,000.00             | 589,079.38             | 1,209,079.38           |
| 08/15/2018   | -                      | -                     | -                      | 370,000.00             | 575,516.88             | 945,516.88             |
| 02/15/2019   | -                      | -                     | -                      | 645,000.00             | 567,810.63             | 1,212,810.63           |
| 08/15/2019   | -                      | -                     | -                      | 385,000.00             | 553,701.25             | 938,701.25             |
| 02/15/2020   | -                      | -                     | -                      | 675,000.00             | 545,340.00             | 1,220,340.00           |
| 08/15/2020   | -                      | -                     | -                      | 400,000.00             | 530,152.50             | 930,152.50             |
| 02/15/2021   | -                      | -                     | -                      | 705,000.00             | 521,106.25             | 1,226,106.25           |
| 08/15/2021   | -                      | -                     | -                      | 425,000.00             | 505,243.75             | 930,243.75             |
| 02/15/2022   | -                      | -                     | -                      | 740,000.00             | 495,531.25             | 1,235,531.25           |
| 08/15/2022   | -                      | -                     | -                      | 440,000.00             | 478,881.25             | 918,881.25             |
| 02/15/2023   | -                      | -                     | -                      | 775,000.00             | 468,725.00             | 1,243,725.00           |
| 08/15/2023   | -                      | -                     | -                      | 460,000.00             | 451,287.50             | 911,287.50             |
| 02/15/2024   | -                      | -                     | -                      | 810,000.00             | 440,668.75             | 1,250,668.75           |
| 08/15/2024   | -                      | -                     | -                      | 255,000.00             | 422,443.75             | 677,443.75             |
| 02/15/2025   | -                      | -                     | -                      | 845,000.00             | 416,706.25             | 1,261,706.25           |
| 08/15/2025   | -                      | -                     | -                      | 265,000.00             | 397,165.63             | 662,165.63             |
| 02/15/2026   | -                      | -                     | -                      | 890,000.00             | 391,203.13             | 1,281,203.13           |
| 08/15/2026   | -                      | -                     | -                      | 280,000.00             | 370,621.88             | 650,621.88             |
| 02/15/2027   | -                      | -                     | -                      | 930,000.00             | 364,321.88             | 1,294,321.88           |
| 08/15/2027   | -                      | -                     | -                      | 290,000.00             | 341,071.88             | 631,071.88             |
| 02/15/2028   | -                      | -                     | -                      | 980,000.00             | 334,546.88             | 1,314,546.88           |
| 08/15/2028   | -                      | -                     | -                      | 305,000.00             | 310,046.88             | 615,046.88             |
| 02/15/2029   | -                      | -                     | -                      | 1,030,000.00           | 303,184.38             | 1,333,184.38           |
| 08/15/2029   | -                      | -                     | -                      | 320,000.00             | 276,790.63             | 596,790.63             |
| 02/15/2030   | -                      | -                     | -                      | 4,405,000.00           | 269,590.63             | 4,674,590.63           |
| 08/15/2030   | -                      | -                     | -                      | 335,000.00             | 162,937.50             | 497,937.50             |
| 02/15/2031   | -                      | -                     | -                      | 3,490,000.00           | 155,400.00             | 3,645,400.00           |
| 08/15/2031   | -                      | -                     | -                      | -                      | 70,375.00              | 70,375.00              |
| 02/15/2032   | -                      | -                     | -                      | 2,815,000.00           | 70,375.00              | 2,885,375.00           |
| <b>Total</b> | <b>\$27,065,000.00</b> | <b>\$2,492,247.52</b> | <b>\$29,557,247.52</b> | <b>\$27,065,000.00</b> | <b>\$16,993,313.86</b> | <b>\$44,058,313.86</b> |

**Yield Statistics**

|   |              |
|---|--------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 4/15/2013    |
| Average Life                                      | 12.953 Years |
| Average Coupon                                    | 4.8473844%   |
| Weighted Average Maturity (Par Basis)             | 12.853 Years |

**Refunding Bond Information**

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

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Preliminary

**Hays County, Texas**

\$5,230,000 Certificates of Obligation, Series 2005

**Debt Service To Maturity And To Call**

| Date         | Refunded Bonds        | Refunded Interest   | D/S To Call           | Principal             | Coupon   | Interest              | Refunded D/S          |
|--------------|-----------------------|---------------------|-----------------------|-----------------------|----------|-----------------------|-----------------------|
| 08/15/2013   | -                     | 78,881.25           | 78,881.25             | -                     | 3.750%   | 78,881.25             | 78,881.25             |
| 02/15/2014   | -                     | 78,881.25           | 78,881.25             | -                     | -        | 78,881.25             | 78,881.25             |
| 08/15/2014   | -                     | 78,881.25           | 78,881.25             | -                     | 3.750%   | 78,881.25             | 78,881.25             |
| 02/15/2015   | -                     | 78,881.25           | 78,881.25             | -                     | -        | 78,881.25             | 78,881.25             |
| 08/15/2015   | 3,560,000.00          | 78,881.25           | 3,638,881.25          | -                     | 4.000%   | 78,881.25             | 78,881.25             |
| 02/15/2016   | -                     | -                   | -                     | -                     | -        | 78,881.25             | 78,881.25             |
| 08/15/2016   | -                     | -                   | -                     | -                     | 4.000%   | 78,881.25             | 78,881.25             |
| 02/15/2017   | -                     | -                   | -                     | -                     | -        | 78,881.25             | 78,881.25             |
| 08/15/2017   | -                     | -                   | -                     | 190,000.00            | 4.000%   | 78,881.25             | 268,881.25            |
| 02/15/2018   | -                     | -                   | -                     | -                     | -        | 75,081.25             | 75,081.25             |
| 08/15/2018   | -                     | -                   | -                     | 195,000.00            | 4.000%   | 75,081.25             | 270,081.25            |
| 02/15/2019   | -                     | -                   | -                     | -                     | -        | 71,181.25             | 71,181.25             |
| 08/15/2019   | -                     | -                   | -                     | 205,000.00            | 4.250%   | 71,181.25             | 276,181.25            |
| 02/15/2020   | -                     | -                   | -                     | -                     | -        | 66,825.00             | 66,825.00             |
| 08/15/2020   | -                     | -                   | -                     | 215,000.00            | 4.500%   | 66,825.00             | 281,825.00            |
| 02/15/2021   | -                     | -                   | -                     | -                     | -        | 61,987.50             | 61,987.50             |
| 08/15/2021   | -                     | -                   | -                     | 225,000.00            | 4.500%   | 61,987.50             | 286,987.50            |
| 02/15/2022   | -                     | -                   | -                     | -                     | -        | 56,925.00             | 56,925.00             |
| 08/15/2022   | -                     | -                   | -                     | 235,000.00            | 4.500%   | 56,925.00             | 291,925.00            |
| 02/15/2023   | -                     | -                   | -                     | -                     | -        | 51,637.50             | 51,637.50             |
| 08/15/2023   | -                     | -                   | -                     | 245,000.00            | 4.500%   | 51,637.50             | 296,637.50            |
| 02/15/2024   | -                     | -                   | -                     | -                     | -        | 46,125.00             | 46,125.00             |
| 08/15/2024   | -                     | -                   | -                     | 255,000.00            | 4.500%   | 46,125.00             | 301,125.00            |
| 02/15/2025   | -                     | -                   | -                     | -                     | -        | 40,387.50             | 40,387.50             |
| 08/15/2025   | -                     | -                   | -                     | 265,000.00            | 4.500%   | 40,387.50             | 305,387.50            |
| 02/15/2026   | -                     | -                   | -                     | -                     | -        | 34,425.00             | 34,425.00             |
| 08/15/2026   | -                     | -                   | -                     | 280,000.00            | 4.500%   | 34,425.00             | 314,425.00            |
| 02/15/2027   | -                     | -                   | -                     | -                     | -        | 28,125.00             | 28,125.00             |
| 08/15/2027   | -                     | -                   | -                     | 290,000.00            | 4.500%   | 28,125.00             | 318,125.00            |
| 02/15/2028   | -                     | -                   | -                     | -                     | -        | 21,600.00             | 21,600.00             |
| 08/15/2028   | -                     | -                   | -                     | 305,000.00            | 4.500%   | 21,600.00             | 326,600.00            |
| 02/15/2029   | -                     | -                   | -                     | -                     | -        | 14,737.50             | 14,737.50             |
| 08/15/2029   | -                     | -                   | -                     | 320,000.00            | 4.500%   | 14,737.50             | 334,737.50            |
| 02/15/2030   | -                     | -                   | -                     | -                     | -        | 7,537.50              | 7,537.50              |
| 08/15/2030   | -                     | -                   | -                     | 335,000.00            | 4.500%   | 7,537.50              | 342,537.50            |
| <b>Total</b> | <b>\$3,560,000.00</b> | <b>\$394,406.25</b> | <b>\$3,954,406.25</b> | <b>\$3,560,000.00</b> | <b>-</b> | <b>\$1,863,081.25</b> | <b>\$5,423,081.25</b> |

**Yield Statistics**

|   |              |
|---|--------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 4/15/2013    |
| Average Life                                      | 11.544 Years |
| Average Coupon                                    | 4.4694318%   |
| Weighted Average Maturity (Par Basis)             | 11.444 Years |

**Refunding Bond Information**

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

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Preliminary

**Hays County, Texas**

\$16,320,000 Unlimited Tax Road Bonds, Series 2006

**Debt Service To Maturity And To Call**

| Date         | Refunded Bonds         | Refunded Interest     | D/S To Call            | Principal              | Coupon   | Interest              | Refunded D/S           |
|--------------|------------------------|-----------------------|------------------------|------------------------|----------|-----------------------|------------------------|
| 08/15/2013   | -                      | 295,108.13            | 295,108.13             | -                      | -        | 295,108.13            | 295,108.13             |
| 02/15/2014   | -                      | 295,108.13            | 295,108.13             | -                      | 4.375%   | 295,108.13            | 295,108.13             |
| 08/15/2014   | -                      | 295,108.13            | 295,108.13             | -                      | -        | 295,108.13            | 295,108.13             |
| 02/15/2015   | 12,465,000.00          | 295,108.13            | 12,760,108.13          | -                      | 4.375%   | 295,108.13            | 295,108.13             |
| 08/15/2015   | -                      | -                     | -                      | -                      | -        | 295,108.13            | 295,108.13             |
| 02/15/2016   | -                      | -                     | -                      | -                      | 4.375%   | 295,108.13            | 295,108.13             |
| 08/15/2016   | -                      | -                     | -                      | -                      | -        | 295,108.13            | 295,108.13             |
| 02/15/2017   | -                      | -                     | -                      | 595,000.00             | 4.300%   | 295,108.13            | 890,108.13             |
| 08/15/2017   | -                      | -                     | -                      | -                      | -        | 282,315.63            | 282,315.63             |
| 02/15/2018   | -                      | -                     | -                      | 620,000.00             | 4.375%   | 282,315.63            | 902,315.63             |
| 08/15/2018   | -                      | -                     | -                      | -                      | -        | 268,753.13            | 268,753.13             |
| 02/15/2019   | -                      | -                     | -                      | 645,000.00             | 4.375%   | 268,753.13            | 913,753.13             |
| 08/15/2019   | -                      | -                     | -                      | -                      | -        | 254,643.75            | 254,643.75             |
| 02/15/2020   | -                      | -                     | -                      | 675,000.00             | 4.500%   | 254,643.75            | 929,643.75             |
| 08/15/2020   | -                      | -                     | -                      | -                      | -        | 239,456.25            | 239,456.25             |
| 02/15/2021   | -                      | -                     | -                      | 705,000.00             | 4.500%   | 239,456.25            | 944,456.25             |
| 08/15/2021   | -                      | -                     | -                      | -                      | -        | 223,593.75            | 223,593.75             |
| 02/15/2022   | -                      | -                     | -                      | 740,000.00             | 4.500%   | 223,593.75            | 963,593.75             |
| 08/15/2022   | -                      | -                     | -                      | -                      | -        | 206,943.75            | 206,943.75             |
| 02/15/2023   | -                      | -                     | -                      | 775,000.00             | 4.500%   | 206,943.75            | 981,943.75             |
| 08/15/2023   | -                      | -                     | -                      | -                      | -        | 189,506.25            | 189,506.25             |
| 02/15/2024   | -                      | -                     | -                      | 810,000.00             | 4.500%   | 189,506.25            | 999,506.25             |
| 08/15/2024   | -                      | -                     | -                      | -                      | -        | 171,281.25            | 171,281.25             |
| 02/15/2025   | -                      | -                     | -                      | 845,000.00             | 4.625%   | 171,281.25            | 1,016,281.25           |
| 08/15/2025   | -                      | -                     | -                      | -                      | -        | 151,740.63            | 151,740.63             |
| 02/15/2026   | -                      | -                     | -                      | 890,000.00             | 4.625%   | 151,740.63            | 1,041,740.63           |
| 08/15/2026   | -                      | -                     | -                      | -                      | -        | 131,159.38            | 131,159.38             |
| 02/15/2027   | -                      | -                     | -                      | 930,000.00             | 5.000%   | 131,159.38            | 1,061,159.38           |
| 08/15/2027   | -                      | -                     | -                      | -                      | -        | 107,909.38            | 107,909.38             |
| 02/15/2028   | -                      | -                     | -                      | 980,000.00             | 5.000%   | 107,909.38            | 1,087,909.38           |
| 08/15/2028   | -                      | -                     | -                      | -                      | -        | 83,409.38             | 83,409.38              |
| 02/15/2029   | -                      | -                     | -                      | 1,030,000.00           | 5.125%   | 83,409.38             | 1,113,409.38           |
| 08/15/2029   | -                      | -                     | -                      | -                      | -        | 57,015.63             | 57,015.63              |
| 02/15/2030   | -                      | -                     | -                      | 1,085,000.00           | 5.125%   | 57,015.63             | 1,142,015.63           |
| 08/15/2030   | -                      | -                     | -                      | -                      | -        | 29,212.50             | 29,212.50              |
| 02/15/2031   | -                      | -                     | -                      | 1,140,000.00           | 5.125%   | 29,212.50             | 1,169,212.50           |
| <b>Total</b> | <b>\$12,465,000.00</b> | <b>\$1,180,432.52</b> | <b>\$13,645,432.52</b> | <b>\$12,465,000.00</b> | <b>-</b> | <b>\$7,154,746.36</b> | <b>\$19,619,746.36</b> |

**Yield Statistics**

|   |              |
|---|--------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 4/15/2013    |
| Average Life                                      | 11.699 Years |
| Average Coupon                                    | 4.8386862%   |
| Weighted Average Maturity (Par Basis)             | 11.599 Years |

**Refunding Bond Information**

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

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Preliminary

**Hays County, Texas**

\$49,575,000 Pass-Through Revenue & Limited Tax Bonds, Series 2009

**Debt Service To Maturity And To Call**

| Date         | Refunded Bonds        | Refunded Interest   | D/S To Call           | Principal             | Coupon   | Interest              | Refunded D/S           |
|--------------|-----------------------|---------------------|-----------------------|-----------------------|----------|-----------------------|------------------------|
| 08/15/2013   | -                     | 205,037.50          | 205,037.50            | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2014   | -                     | 205,037.50          | 205,037.50            | -                     | 3.000%   | 205,037.50            | 205,037.50             |
| 08/15/2014   | -                     | 205,037.50          | 205,037.50            | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2015   | 8,485,000.00          | 205,037.50          | 8,690,037.50          | -                     | 4.000%   | 205,037.50            | 205,037.50             |
| 08/15/2015   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2016   | -                     | -                   | -                     | -                     | 4.000%   | 205,037.50            | 205,037.50             |
| 08/15/2016   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2017   | -                     | -                   | -                     | -                     | 4.000%   | 205,037.50            | 205,037.50             |
| 08/15/2017   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2018   | -                     | -                   | -                     | -                     | 4.000%   | 205,037.50            | 205,037.50             |
| 08/15/2018   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2019   | -                     | -                   | -                     | -                     | 4.604%   | 205,037.50            | 205,037.50             |
| 08/15/2019   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2020   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2020   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2021   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2021   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2022   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2022   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2023   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2023   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2024   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2024   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2025   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2025   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2026   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2026   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2027   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2027   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2028   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2028   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2029   | -                     | -                   | -                     | -                     | 5.000%   | 205,037.50            | 205,037.50             |
| 08/15/2029   | -                     | -                   | -                     | -                     | -        | 205,037.50            | 205,037.50             |
| 02/15/2030   | -                     | -                   | -                     | 3,320,000.00          | 4.750%   | 205,037.50            | 3,525,037.50           |
| 08/15/2030   | -                     | -                   | -                     | -                     | -        | 126,187.50            | 126,187.50             |
| 02/15/2031   | -                     | -                   | -                     | 2,350,000.00          | 4.750%   | 126,187.50            | 2,476,187.50           |
| 08/15/2031   | -                     | -                   | -                     | -                     | -        | 70,375.00             | 70,375.00              |
| 02/15/2032   | -                     | -                   | -                     | 2,815,000.00          | 5.000%   | 70,375.00             | 2,885,375.00           |
| <b>Total</b> | <b>\$8,485,000.00</b> | <b>\$820,150.00</b> | <b>\$9,305,150.00</b> | <b>\$8,485,000.00</b> | <b>-</b> | <b>\$7,364,400.00</b> | <b>\$15,849,400.00</b> |

**Yield Statistics**

|   |              |
|---|--------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 4/15/2013    |
| Average Life                                      | 17.774 Years |
| Average Coupon                                    | 4.8378847%   |
| Weighted Average Maturity (Par Basis)             | 17.674 Years |

**Refunding Bond Information**

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

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Preliminary

## Hays County, Texas

\$12,145,000 General Obligation Refunding & Improvement Bonds, Series 2003

### Debt Service To Maturity And To Call

| Date         | Refunded Bonds        | Refunded Interest  | D/S To Call           | Principal             | Coupon   | Interest            | Refunded D/S          |
|--------------|-----------------------|--------------------|-----------------------|-----------------------|----------|---------------------|-----------------------|
| 08/15/2013   | 1,785,000.00          | 39,508.75          | 1,824,508.75          | -                     | 4.000%   | 39,508.75           | 39,508.75             |
| 02/15/2014   | -                     | -                  | -                     | -                     | -        | 39,508.75           | 39,508.75             |
| 08/15/2014   | -                     | -                  | -                     | 150,000.00            | 4.000%   | 39,508.75           | 189,508.75            |
| 02/15/2015   | -                     | -                  | -                     | -                     | -        | 36,508.75           | 36,508.75             |
| 08/15/2015   | -                     | -                  | -                     | 150,000.00            | 4.050%   | 36,508.75           | 186,508.75            |
| 02/15/2016   | -                     | -                  | -                     | -                     | -        | 33,471.25           | 33,471.25             |
| 08/15/2016   | -                     | -                  | -                     | 160,000.00            | 4.150%   | 33,471.25           | 193,471.25            |
| 02/15/2017   | -                     | -                  | -                     | -                     | -        | 30,151.25           | 30,151.25             |
| 08/15/2017   | -                     | -                  | -                     | 165,000.00            | 4.250%   | 30,151.25           | 195,151.25            |
| 02/15/2018   | -                     | -                  | -                     | -                     | -        | 26,645.00           | 26,645.00             |
| 08/15/2018   | -                     | -                  | -                     | 175,000.00            | 4.350%   | 26,645.00           | 201,645.00            |
| 02/15/2019   | -                     | -                  | -                     | -                     | -        | 22,838.75           | 22,838.75             |
| 08/15/2019   | -                     | -                  | -                     | 180,000.00            | 4.450%   | 22,838.75           | 202,838.75            |
| 02/15/2020   | -                     | -                  | -                     | -                     | -        | 18,833.75           | 18,833.75             |
| 08/15/2020   | -                     | -                  | -                     | 185,000.00            | 4.550%   | 18,833.75           | 203,833.75            |
| 02/15/2021   | -                     | -                  | -                     | -                     | -        | 14,625.00           | 14,625.00             |
| 08/15/2021   | -                     | -                  | -                     | 200,000.00            | 4.650%   | 14,625.00           | 214,625.00            |
| 02/15/2022   | -                     | -                  | -                     | -                     | -        | 9,975.00            | 9,975.00              |
| 08/15/2022   | -                     | -                  | -                     | 205,000.00            | 4.750%   | 9,975.00            | 214,975.00            |
| 02/15/2023   | -                     | -                  | -                     | -                     | -        | 5,106.25            | 5,106.25              |
| 08/15/2023   | -                     | -                  | -                     | 215,000.00            | 4.750%   | 5,106.25            | 220,106.25            |
| <b>Total</b> | <b>\$1,785,000.00</b> | <b>\$39,508.75</b> | <b>\$1,824,508.75</b> | <b>\$1,785,000.00</b> | <b>-</b> | <b>\$514,836.25</b> | <b>\$2,299,836.25</b> |

#### Yield Statistics

|   |             |
|---|-------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 4/15/2013   |
| Average Life                                      | 6.179 Years |
| Average Coupon                                    | 4.5482019%  |
| Weighted Average Maturity (Par Basis)             | 6.079 Years |

#### Refunding Bond Information

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

Preliminary

**Hays County, Texas**

\$14,465,000 Unlimited Tax Road Bonds, Series 2004

**Debt Service To Maturity And To Call**

| Date         | Refunded Bonds      | Refunded Interest  | D/S To Call         | Principal           | Coupon   | Interest           | Refunded D/S        |
|--------------|---------------------|--------------------|---------------------|---------------------|----------|--------------------|---------------------|
| 08/15/2013   | -                   | 19,250.00          | 19,250.00           | -                   | 5.000%   | 19,250.00          | 19,250.00           |
| 02/15/2014   | -                   | 19,250.00          | 19,250.00           | -                   | -        | 19,250.00          | 19,250.00           |
| 08/15/2014   | 770,000.00          | 19,250.00          | 789,250.00          | -                   | 5.000%   | 19,250.00          | 19,250.00           |
| 02/15/2015   | -                   | -                  | -                   | -                   | -        | 19,250.00          | 19,250.00           |
| 08/15/2015   | -                   | -                  | -                   | 770,000.00          | 5.000%   | 19,250.00          | 789,250.00          |
| <b>Total</b> | <b>\$770,000.00</b> | <b>\$57,750.00</b> | <b>\$827,750.00</b> | <b>\$770,000.00</b> | <b>-</b> | <b>\$96,250.00</b> | <b>\$866,250.00</b> |

**Yield Statistics**

|   |             |
|---|-------------|
| Base date for Avg. Life & Avg. Coupon Calculation | 4/15/2013   |
| Average Life                                      | 2.333 Years |
| Average Coupon                                    | 5.0000000%  |
| Weighted Average Maturity (Par Basis)             | 2.233 Years |

**Refunding Bond Information**

|                         |           |
|-------------------------|-----------|
| Refunding Dated Date    | 4/15/2013 |
| Refunding Delivery Date | 5/21/2013 |

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**Hays County, Texas**  
**Limited Tax Refunding Bonds, Series 2013 (“Bonds”)**

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**Timeline of Events – Negotiated Sale**

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- |                           |  |
|---------------------------|--|
| Tuesday, March 5, 2013*   | • Commissioners’ Court considers a Parameters/Delegation Order authorizing the sale of Refunding Bonds.                              |
| Week of April 8, 2013     | • Bond Rating Conference Calls.  |
| Monday, April 15, 2013    | • Official Statement (OS) is electronically distributed by SPFI to underwriters.   |
| Wednesday, April 17, 2013 | • S&P and Fitch assign bond ratings.   |
| Week of April 22, 2013    | • <u>Pricing.</u> Bonds are sold through negotiated sale. Bonds are awarded based on parameters established by Commissioners’ Court. |
| Tuesday, May 21, 2013     | • Closing. Bonds are delivered and proceeds distributed.   |

\* Requires Official Commissioners’ Court Meeting.

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ORDER AUTHORIZING THE ISSUANCE OF ONE OR MORE SERIES OF HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING THE 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; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING THE 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 which are callable and designated by an authorized representative in an approval certificate to be refunded (the "Refunded Obligations"); 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, directly with any place of payment for the Refunded Obligations, a trust company or commercial bank which is not a depository of the County (the "Escrow Agent"), and such deposit, when made in accordance with Chapter 1207 and the orders authorizing the issuance of the Refunded Obligations, 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 County to enter into an escrow agreement with the Escrow Agent with respect to the safekeeping, investment, reinvestment, administration, and disposition of any such deposit, upon such terms and conditions as the County and such Escrow Agent may agree, provided that such deposits may be invested and reinvested in obligations permitted under Chapter 1207, which obligations 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, the Commissioners Court hereby finds and declares a public purpose and deems it advisable to refund 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 most reasonable and advantageous and are in 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 aggregate principal amount of the bonds; (iii) the date, form, and designation of the Bonds; (iv) designation of all or any of the Bonds as Tax-Exempt Bonds or Taxable Bonds; (v) 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; (vi) the allocation of any premium generated from the sale of the Bonds, (vii) the redemption provisions (viii) the form of the Escrow Agreement and selection of Escrow Agent; (ix) the selection of the paying agent/registrar; and (x) 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 \$35,000,000; the maximum maturity of the Bonds will be August 15, 2038; 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 Approval Certificate, 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 \_\_\_\_\_, \_\_\_\_\_, 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.]<sup>1</sup>

THE COUNTY RESERVES THE RIGHT to redeem the [Current Interest]<sup>1</sup> 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 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> |
|------------------------|-------------------------|
|                        | \$                      |
| _____                  |                         |

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

(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

XX  
County Judge

COUNTERSIGNED AND REGISTERED

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

XX  
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 \_\_\_\_\_, \_\_\_\_\_, 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 2012

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 \_\_\_\_\_, \_\_\_\_\_, Texas which is 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 aforesated. 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

XX  
County Judge

COUNTERSIGNED AND REGISTERED

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

XX  
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<br/>Stated<br/>Maturity</u> | <u>Original<br/>Principal<br/>Amounts (\$)</u> | <u>Stated Maturity<br/>Amounts (\$)</u> | <u>Stated<br/>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)

XXX  
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.

\_\_\_\_\_, 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 Taxpayer Identification of Transferee) / \_\_\_\_\_  
(Please print name and address, including zip code, 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.



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

“Escrow Agent” means the 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; Establishing Procedures for Selling and Delivering The 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 March 5, 2013, 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 paying agent/registrar designated by the Authorized Representative in the Approval Certificate, 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 County's 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.

“Tax-Exempt Bond” means any Bond, the interest on which is excludable from gross income for federal income tax purposes.

“Taxable Bond” means any Bond, the interest on which is not excludable from gross income for federal income tax purposes.

**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. For any Bonds which the County designates as Tax-Exempt Bonds, the County covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds.

(vii) To otherwise restrict the use of the proceeds of the Tax-Exempt Bonds or amounts treated as proceeds of the Tax-Exempt Bonds, as may be necessary, so that the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds under section 103 of the Code.

Proper officers of the County charged with the responsibility of issuing the Tax-Exempt 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 Tax-Exempt Bonds.

Notwithstanding any other provision in this Order, to the extent necessary to preserve the exclusion from gross income of interest on the Tax-Exempt 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/registrant. 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.

Neither the County nor the Paying Agent/Registrar shall be required to transfer or to exchange any Bond during the period beginning on a record date and ending on the next succeeding Interest Payment Date or to transfer or exchange any Bond called for redemption, in whole or in part, during the 30-day period prior to the date fixed for redemption of such Bond; provided, however, such limitation of transfer is not applicable to an exchange by the Owner of the uncalled balance of a Bond.

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 last paragraph 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 an Authorized Representative 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. Designation of Escrow Agent and Approval of Escrow Agreement.** The Escrow Agent shall be designated by an Authorized Representative in the Approval Certificate. 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 the Escrowed Securities, 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](http://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 5<sup>th</sup> day of March, 2013.

HAYS COUNTY, TEXAS

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County Judge

ATTEST:

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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  
Limited Tax Refunding Bonds, Series 2012

**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 March 5, 2013 (the "Order") authorizing the issuance of "HAYS COUNTY, TEXAS LIMITED TAX REFUNDING BONDS, SERIES \_\_\_\_\_" (the "Bonds") does 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 \$\_\_\_\_\_, plus a reoffering premium of \$\_\_\_\_\_, plus accrued interest, [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<br>Maturity<br>(_____) | Principal<br><u>Installments</u><br>\$ | Interest<br><u>Rate</u><br>% | Initial<br><u>Yield</u> | Price<br><u>Amount</u><br>\$ |
|--|--|------------------------------|-------------------------|------------------------------|
|--|--|------------------------------|-------------------------|------------------------------|

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<br/>Maturity</u> | <u>Original Principal<br/>Amount</u> | <u>Stated Maturity<br/>Amount</u> | <u>Stated Yields<br/>(%)*</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.

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

d. [The County hereby designates the Bonds as Tax-Exempt Bonds and confirms the representations, covenants, and warranties made with respect to such designation in Section 8(c) of the Order.] OR [It is hereby determined that it is in the best interest of the County, and the County hereby designates the Bonds as Taxable Bonds.]

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 County 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 for the Refunded Bonds.

5. \_\_\_\_\_ is hereby designated as Paying Agent/Registrar for the Bonds.

6. The refunding will result in a net present value savings of approximately \$\_\_\_\_\_ or \_\_\_\_\_%. The net effective interest rate is \_\_\_\_\_%. All the conditions of Section 1 of the Order have been met.

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

8. The Preliminary Official Statement, dated \_\_\_\_\_, 20\_\_ relating to the Bonds is hereby approved and said Preliminary Official Statement is hereby deemed final as of its date, except for the omission of such information which is dependant upon the final pricing of the Bonds approved in this Certificate, in compliance with Rule 15c-12 under the Securities and Exchange Act of 1934.

9. The undersigned Authorized Representative, upon consultation with the County's Financial Advisor, hereby determines that the terms of the sale as set forth in this Certificate are in the County's best interest.

[Signature page follows.]

EXECUTED AND DELIVERED this \_\_\_\_\_, 20\_\_.

**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 [ ]

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Accreted Value Table

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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 Eligible Investments (defined below), 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 Escrowed Securities (defined below) 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.

“Eligible Investments” mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by the United States of America, or (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed 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 qualify 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 related as to investment qualify by a nationally recognized investment rating firm not less than “AAA” or the equivalent.

“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] OR [IDENTIFY ELIGIBLE INVESTMENT PURCHASED AND HELD IN ESCROW BY THE ESCROW AGENT AND DESCRIBED IN THE REPORT].

**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 4.04 DOES NOT APPLY IF ESCROWED SECURITIES ARE OPEN MARKET 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 reinvestments 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 Section[s] 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 \_\_\_\_\_

**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 \_\_\_\_\_, \_\_\_\_\_, 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:

“Approval 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 \_\_\_\_\_, Texas.

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

“Financial Advisor” means Specialized Public Finance Inc., or any successors thereto.

“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 an approval certificate of a designated officer of the Issuer as authorized by the order approving the final terms of the sale of the Securities, 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.

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

(Remainder of this page intentionally left blank)

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

Attest: \_\_\_\_\_

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_, Texas \_\_\_\_\_

(BANK SEAL)

Attest:

**HAYS COUNTY, TEXAS**

By \_\_\_\_\_

By \_\_\_\_\_

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

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

(ISSUER SEAL)

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.

| <b>MATURITY DATES</b><br><b>(February 15)</b> | <b>YIELD</b> | <b>PRESENT</b><br><b>CUSIP</b><br><b>NUMBERS</b> | <b>PRINCIPAL</b><br><b>AMOUNT</b><br><b>REDEEMED</b> |
|---|--------------|--|--|
|---|--------------|--|--|

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 “INVESTMENTS – Current Investments,” “TAX INFORMATION,” – Tables 1-6, “DEBT INFORMATION – Tables 7-8,” and “FINANCIAL INFORMATION,” – Table 11, “INVESTMENTS – Table 12” and in APPENDIX C – Form of Bond Counsel Opinion .]<sup>2</sup>

**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.

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<sup>2</sup> To consistent with Official Statement relating to each series of refunding bonds issued hereunder.

**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 March 5, 2013, 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, 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 Conley that the Order be passed and adopted. The motion was seconded by Commissioner Jones 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 March 5, 2013.

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

(COMMISSIONERS COURT SEAL)

EXECUTION PAGE TO CERTIFICATE FOR ORDER