

ORDER NO. _____

AN ORDER AUTHORIZING THE ISSUANCE OF “COMAL COUNTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE SOLID WASTE MANAGEMENT SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND AN OFFICIAL BID FORM; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE COMMISSIONERS COURT AND COUNTY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE CERTIFICATES; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENTS WITH THE COUNTY’S FINANCIAL ADVISORS AND/OR BOND COUNSEL; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court of Comal County, Texas (the *County*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$15,000,000 for the purpose of providing funds for the payment of contractual obligations of the County to be incurred for (1) constructing, acquiring, designing, purchasing, renovating, enlarging, and improving various County-owned facilities, including renovation of the County facilities known as the Landa Building and the Courthouse Annex Building; (2) constructing, acquiring, designing, purchasing, renovating, enlarging, and improving the County Sheriff’s Office; (3) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (4) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects; and

WHEREAS, this notice has been duly published in a newspaper hereby found and determined to be of general circulation in the County, once a week for two (2) consecutive weeks, the date of the first publication of such notice being not less than thirty (30) days prior to the tentative date stated therein for the passage of the order authorizing the issuance of such certificates of obligation; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in this notice, signed by at least 5% of the qualified voters of the County, has been presented to or filed with the County Clerk or Deputy County Clerk prior to the date tentatively set in such notice for the passage of this order; and

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

WHEREAS, the Governing Body hereby finds and determines, pursuant to the authority provided by Chapter 1371, as amended, Texas Government Code, to delegate to the Authorized Officials (defined herein) the authority to execute an "Approval Certificate" (a form of which is attached hereto as Schedule I) to approve the final terms of the combination tax and revenue certificates of obligation issued hereunder; and

WHEREAS, the Commissioners Court hereby finds and determines that the issuance of the certificates of obligation in the principal amount of \$_____ is in the best interests of the residents of the County; now, therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF COMAL COUNTY, TEXAS THAT:

SECTION 1. Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the County shall be and are hereby authorized to be issued in the aggregate principal amount of _____ THOUSAND AND NO/100 DOLLARS (\$_____), to be designated and bear the title of "COMAL COUNTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018" (the *Certificates*), for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to wit: (1) constructing, acquiring, designing, purchasing, renovating, enlarging, and improving various County-owned facilities, including renovation of the County facilities known as the Landa Building and the Courthouse Annex Building; (2) constructing, acquiring, designing, purchasing, renovating, enlarging, and improving the County Sheriff's Office; (3) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (4) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Sections 271.041 through 271.064, Texas Health and Safety Code, Section 363.135, as amended, and Chapter 1371, as amended, Texas Government Code (*Chapter 1371*).

As authorized by Chapter 1371, the County Judge, County Treasurer, County Clerk, the County Auditor, and/or the County Auditor (each of the foregoing, individually, an *Authorized Official*) are hereby authorized, appointed, and designated as the officials of the County authorized to individually act on behalf of the County in selling and delivering, in one or more series, the Certificates authorized herein and carrying out the procedures specified in this Order, approval of the aggregate principal amount of each maturity of the Certificates, the redemption provisions

therefor, the Certificate Date therefor, the further designation of Certificates by series and order of issuance, the rate of interest to be borne on the principal amount of each such maturity, selection of the Purchasers (defined herein), and selection of the paying agent/registrar for the Certificates. Each Authorized Official, acting for and on behalf of the County, is authorized to execute an Approval Certificate relating to a series of Certificates in the form attached hereto as Schedule I. The Certificates of all series shall be issued in an original aggregate principal amount not to exceed \$15,000,000; the maximum maturity of the Certificates will be February 1, 2033; and the net effective true interest rate (federal arbitrage yield) shall not exceed a rate greater than 5.50% per annum. The Authorized Official can determine to sell the Certificates pursuant to a negotiated or competitive sale based upon the advice of the County’s financial advisors. The execution of the Approval Certificate shall evidence the sale date of the Certificates by the County to the Purchasers in accordance with the provisions of Chapter 1371. It is further provided, however, that notwithstanding the foregoing provisions, the Certificates shall not be delivered unless prior to delivery, the Certificates have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by the Act. Upon execution of the Approval Certificate, Bond Counsel is authorized to complete this Order to reflect such final terms applicable to the Certificates.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates – Certificate Date. The Certificates are issuable in fully registered form only, shall be dated November 1, 2018 (the *Certificate Date*), shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R-” and numbered consecutively from One (1) upward, and the Certificates shall become due and payable on February 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or to Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		

The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on February 1 and August 1 in each year, commencing February 1, 2019 (the *Interest Payment Date*), while the Certificates are Outstanding.

SECTION 3. Payment of Certificates - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts, and such payment of principal of, premium, if any, and interest on the Certificates shall be without exchange or collection charges to the Holder (as hereinafter defined) of the Certificates.

The selection and appointment of Zions Bancorporation, National Association, Houston, Texas, to serve as the initial Paying Agent/Registrar for the Certificates (the *Paying Agent/Registrar*) is hereby approved and confirmed, and the County agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Certificates, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the County may prescribe. The County covenants to maintain and provide a Paying Agent/Registrar at all times while the Certificates are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and authorized by law to serve as a Paying Agent/Registrar.

The County reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or order terminating such agency. Additionally, the County agrees to promptly cause a written notice of this substitution to be sent on or prior to the appropriate date of payment to each Holder of the Certificates by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the County by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and

neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Certificates shall be payable only upon presentation and surrender of the Certificates to the Paying Agent/Registrar at its corporate trust office. Interest on the Certificates shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Certificates (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Certificate appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4. Redemption.

A. Mandatory Redemption of Certificates. The Certificates stated to mature on February 1, 20__ are referred to herein as the "Term Certificates". The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 1 in each of the years as set forth below:

Term Certificates
Stated to Mature
on February 1, 20

<u>Year</u>	<u>Principal Amount (\$)</u>
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*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the County, by the principal amount of any Term Certificates of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the County and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the County with money in the Certificate Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption. The Certificates having Stated Maturities on and after February 1, 2027 shall be subject to redemption prior to Stated Maturity, at the option of the County, on February 1, 2026 or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of Certificates (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the County shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem Certificates, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the County to exercise the right to redeem Certificates shall be entered in the minutes of the governing body of the County.

D. Selection of Certificates for Redemption. If less than all Outstanding Certificates of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Certificates to be redeemed, provided that if less than the entire principal amount of a Certificate is to be redeemed, the Paying Agent/Registrar shall treat such Certificate then subject to redemption as representing the number of Certificates Outstanding which is obtained by dividing the principal amount of such Certificate by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the County and at the County's expense, by the Paying Agent/Registrar to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed

to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

All notices of redemption shall (i) specify the date of redemption for the Certificates, (ii) identify the Certificates to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Certificates, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Certificates, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Order.

F. Transfer/Exchange of Certificates. Neither the County nor the Paying Agent/Registrar shall be required (1) to transfer or exchange any Certificate during a period beginning forty-five (45) days prior to the date fixed for redemption of the Certificates or (2) to transfer or exchange any Certificate selected for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Certificate which is subject to redemption in part.

SECTION 5. Execution - Registration. The Certificates shall be executed on behalf of the County by the County Judge under the seal of the Commissioners Court reproduced or impressed thereon, countersigned by the County Clerk or Deputy County Clerk, and registered by the County Treasurer. The signature of any of said officers on the Certificates may be manual or facsimile. Certificates bearing the manual or facsimile signatures of individuals who were, at the time of the Certificate Date, the proper officers of the County shall bind the County, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Certificates to the Purchasers (hereafter defined) and with respect to Certificates delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Certificate shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of

Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/ Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6. Registration - Transfer - Exchange of Certificates - Predecessor Certificates.

The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every Holder of the Certificates, or, if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by its duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the County shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

At the option of the Holder, Certificates may be exchanged for other Certificates of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Certificates surrendered for exchange upon surrender of the Certificates to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Certificates are so surrendered for exchange, the County shall execute, and the Paying Agent/Registrar shall register and deliver, the Certificates to the Holder requesting the exchange.

All Certificates issued upon any transfer or exchange of Certificates shall be delivered at the corporate trust office of the Paying Agent/Registrar, or be sent by registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid and binding obligations of the County, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Certificates surrendered upon such transfer or exchange.

All transfers or exchanges of Certificates pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Certificates canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Certificates, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Certificate or Certificates registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Certificates shall include any Certificate registered and delivered pursuant to Section 25 in lieu of a mutilated, lost, destroyed,

or stolen Certificate which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Certificate.

SECTION 7. Initial Certificate. The Certificates herein authorized shall be issued initially either (i) as a single fully-registered Certificate in the total principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully-registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate*) and, in either case, the Initial Certificate to the Purchasers shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates, on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8. Forms.

A. Forms Generally. The Certificates, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Certificates shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Certificates, or any Stated Maturities thereof, are insured, and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of an opinion of Bond Counsel) thereon as may, consistent herewith, be established by the County or determined by the officers executing the Certificates as evidenced by their execution thereof. Any portion of the text of any Certificate may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Certificate.

The definitive Certificates shall be printed, lithographed, or engraved, produced by any combination of these methods, or produced in any other similar manner, all as determined by the officers executing the Certificates as evidenced by their execution thereof, but the Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten or photocopied or otherwise reproduced.

B. Form of Definitive Certificate.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
COMAL COUNTY, TEXAS
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2018

Certificate Date: Interest Rate: Stated Maturity: CUSIP No.:
November 1, 2018

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Comal County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above (or so much thereof as shall not have been paid upon prior redemption), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2019.

Principal and premium, if any, of this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Certificate (or one or more Predecessor Certificates, as defined in the Order hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be 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. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

The Certificates stated to mature on February 1, 20__ are referred to herein as the “Term Certificates”. The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on February 1 in each of the years as set forth below:

Term Certificates
Stated to Mature
on February 1, 20__

<u>Year</u>	<u>Principal Amount (\$)</u>
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*Payable at Stated Maturity.

The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the County, by the principal amount of any Term Certificates of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the County and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the County with money in the Certificate Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in the Order, the Certificates stated to mature on and after February 1, 2027 shall be subject to redemption prior to their Stated Maturities at the option of the County, on February 1, 2026 or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written notice shall be sent to the Holder of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Order. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Order for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price and the interest accrued

on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the County or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the *Certificates*) pursuant to an Order adopted by the governing body of the County (the *Order*), for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to wit: (1) constructing, acquiring, designing, purchasing, renovating, enlarging, and improving various County-owned facilities, including renovation of the County facilities known as the Landa Building and the Courthouse Annex Building; (2) constructing, acquiring, designing, purchasing, renovating, enlarging, and improving the County Sheriff's Office; (3) the purchase of materials, supplies, equipment, machinery, landscaping, land, and rights-of-way for authorized needs and purposes relating to the aforementioned capital improvements; and (4) the payment of professional services related to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Sections 271.041 through 271.064, Texas Health and Safety Code, Section 363.135, as amended, and Chapter 1371, as amended, Texas Government Code.

The Certificates of this series are payable from the proceeds of an ad valorem tax levied upon all taxable property within the County within the limitations prescribed by law and are further payable from and equally and ratably secured by a lien on and pledge of the Pledged Revenues derived from the operation of the County's Solid Waste Management System on a parity with the currently outstanding Obligations Similarly Secured; provided, however, such lien on and pledge of the Pledged Revenues being subordinate and inferior to the lien on and pledge of Net Revenues securing payment of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the County. In the Order, the County reserves and retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations, while the Certificates are Outstanding, without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

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 Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the County may issue Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other

terms and provisions specified in the Order. Capitalized terms used herein have the same meanings assigned in the Order.

This Certificate, subject to certain limitations contained in the Order, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Certificates of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Certificate as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner hereof for all other purposes, and neither the County nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date* - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, represented, and declared that the County is a duly organized and legally existing governmental agency under and by virtue of the laws of the State of Texas; that the issuance of the Certificates is duly authorized by law; that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Certificate in order to render the same a legal, valid, and binding obligation of the County have been performed, exist, and have been done, in regular and due time, form, and manner, as required by the laws of the State of Texas and the Order; and that issuance of the Certificates does not exceed any constitutional or statutory limitation and that due provision has been made for the payment of the principal of, premium if any, and interest on the Certificates by the levy of a tax as aforesaid and the collection of Pledged Revenues. In case any provision in this Certificate or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Certificate and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Commissioners Court of the County has caused this Certificate to be duly executed under the official seal of its Commissioners Court.

COMAL COUNTY, TEXAS

By: _____
County Judge

COUNTERSIGNED:

REGISTERED:

County Clerk and Ex-Officio Clerk
of the Commissioners Court

County Treasurer

(SEAL OF COMMISSIONERS COURT)

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DRAFT

C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Certificate Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)
* Note to Printer: Not to appear on printed Certificates

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Certificates Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date: _____ Zions Bancorporation, National Association,
Houston, Texas, as Paying Agent/Registrar

By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

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

(Social Security or other identifying number): _____

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

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

Signature guaranteed:

F. The Initial Certificate shall be in the form set forth in paragraph B of this Section, except that the form of a single fully registered Initial Certificate shall be modified as follows:

(1) immediately under the name of the Certificate the headings "Interest Rate ____" and "Stated Maturity ____" shall both be completed "as shown below";

(2) the first two paragraphs shall read as follows:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Comal County, Texas (the *County*), a political subdivision of the State of Texas, 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 Principal Amount specified above stated to mature on the first day of February in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
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(Information to be inserted from
schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Certificate Date, or from the most recent Interest Payment Date (defined below) 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, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on February 1 and August 1 of each year (each, an *Interest Payment Date*), commencing February 1, 2019.

Principal of, and premium, if any, this Certificate shall be payable to the Registered Owner hereof (the *Holder*), upon its presentation and surrender, to Stated Maturity, or prior redemption, while Outstanding, at the corporate trust office of Zions Bancorporation, National Association, Houston, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Certificate whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Certificate shall be 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. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legend. If bond insurance is obtained by the Purchasers or the County for the Certificates, the Definitive Certificates and the Initial Certificate shall bear an appropriate legend as provided by the bond insurer to appear under the following header:

[BOND INSURANCE]

SECTION 9. Definitions. For all purposes of this Order (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Sections 27 and 45 of this Order have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Order to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Order as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

A. The term *Additional Parity Obligations* shall mean (i) obligations hereafter issued by the County payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues on a parity with the lien securing the payment of the currently outstanding Obligations Similarly Secured, all as provided in Section 21 of this Order, and (ii) obligations hereafter issued to refund any of the foregoing as determined by the Commissioners Court in accordance with any applicable law.

B. The term *Authorized Officials* shall mean the County Judge, County Treasurer, County Clerk, and/or the County Auditor.

C. The term *Certificate Fund* shall mean the special Fund created and established by the provisions of Section 10 of this Order.

D. The term *Certificates* shall mean the \$_____ “COMAL COUNTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018” authorized by this Order.

E. The term *Closing Date* shall mean the date of physical delivery of the Initial Certificate in exchange for the payment of the agreed purchase price for the Certificates.

F. The term *Collection Date* shall mean, when reference is being made to the levy and collection of annual ad valorem taxes, the date the annual ad valorem taxes levied each year by the County become delinquent.

G. The term *County* shall mean Comal County, Texas and where applicable the Commissioners Court of the County.

H. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the County as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

I. The term *Depository* shall mean an official depository bank of the County.

J. The term *Fiscal Year* shall mean the annual financial accounting period for the Solid Waste Management System now ending on September 30th of each year; provided, however, the Commissioners Court may change such annual financial accounting period to end on another date if such change is found and determined to be necessary for accounting purposes or is required by applicable law.

K. The term *Government Securities*, as used herein shall mean (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; (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; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Certificates.

L. The term *Gross Revenues* for any period shall mean all income and revenues received by the County by virtue of its ownership and operation of the Solid Waste Management System, including, but not limited to, its rentals, fees, and other revenues resulting from the ownership of the Solid Waste Management System, including rentals received from leasing all or part of the Solid Waste Management System. However, it is expressly recognized that any such lease must comply with the requirements of the Code and existing regulations, published rulings, and court decisions.

M. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Certificate.

N. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being February 1 and August 1 of each year, commencing February 1, 2019, while any of the Certificates remain outstanding.

O. The term *Junior Lien Bonds* shall mean (i) bonds or other obligations hereafter issued by the County payable from and equally and ratably secured, in whole or in part, by a lien on a pledge of the Net Revenues of the System which is junior and inferior to the lien securing the payment of any Prior Lien Bonds hereafter issued by the County, but prior and superior to the lien on and pledge of the Pledged Revenues securing, in part, the payment of the Obligations Similarly Secured, all as provided in Section 21 of this Order, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a junior lien on and pledge of the Net Revenues as determined by the Commissioners Court in accordance with any applicable law.

P. The term *Maintenance and Operation Expenses* shall mean the expenses of operation and maintenance, including all salaries, labor, materials, repairs and extensions necessary to maintain and operate the Solid Waste Management System; provided, however, that only such repairs and extensions as in the judgment of the Commissioners Court, reasonably and fairly exercised, are necessary to keep the Solid Waste Management System in operation and render adequate service to the County and the inhabitants thereof, or such as might be necessary to meet some physical action or condition which would otherwise impair the security of any bonds or other obligations payable from and secured, in whole or in part, by a lien on the Net Revenues derived from the ownership and operation of the Solid Waste Management System shall be deducted in determining Net Revenues.

Q. The term *Net Revenues* for any period shall mean the Gross Revenues less the Maintenance and Operating Expenses for any Fiscal Year.

R. The term *Obligations Similarly Secured* shall mean (i) obligations hereafter issued by the County payable, in whole or in part, from and equally and ratably secured by a lien on and pledge of the Pledged Revenues, more particularly described as:

(1) Comal County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2006, dated November 15, 2006, in the original principal amount of \$4,700,000; and

(2) Comal County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2007, dated August 1, 2007, in the original principal amount of \$20,190,000; and

(3) Comal County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2016, dated October 15, 2016, in the original principal amount of \$11,300,000; and

(4) Comal County, Texas Adjusting Rate Combination Tax and Revenue Certificates of Obligation, Series 2017 (Bulverde Area Rural Library District Project), dated January 1, 2017, in the original principal amount of \$7,000,000; and

(5) Comal County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2017A, dated August 1, 2017, in the original principal amount of \$21,455,000; and

(6) the Certificates; and

(ii) any Additional Parity Obligations hereafter issued by the County.

S. The term *Order* shall mean this order adopted by the Commissioners Court of the County on November 1, 2018.

T. The term *Outstanding* when used in this Order with respect to Certificates shall mean, as of the date of determination, all Certificates issued and delivered under this Order, except:

(1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Certificates for which payment has been duly provided by the County in accordance with the provisions of Section 29 of this Order; and

(3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Order.

U. The term *Pledged Revenues* shall mean that portion of the Net Revenues securing the payment of the currently outstanding Obligations Similarly Secured or any Additional Parity Obligations hereafter issued by the County. The amount of Pledged Revenues appropriated during any Fiscal Year and set aside in the annual budget for the payment of principal of or interest on each series of the currently outstanding Obligations Similarly Secured shall be determined within the sole discretion of the Commissioners Court, provided, however, that in no event may the Commissioners Court in the exercise of its discretion appropriate less than \$1,000, or such lesser amount remaining and available after the payment of all Maintenance and Operation Expenses, of

such Net Revenues for the payment of the principal of or interest on each issue of the currently outstanding Obligations Similarly Secured or any Additional Parity Obligations.

V. The term *Prior Lien Bonds* shall mean (i) any revenue bonds, notes, or similar obligations of the County hereafter issued in one or more series or installments, pursuant to the provisions of the Texas Health and Safety Code, Section 363.135, as amended, that are payable from and secured, in whole or in part, by a first and superior lien on and pledge of the Net Revenues, all as provided in Section 21 of this Order, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a first and superior lien on the Net Revenues as determined by the Commissioners Court in accordance with any applicable law.

W. The term *Purchasers* shall mean the initial purchaser or purchasers of the Certificates named in Section 26 of this Order.

X. The term *Solid Waste Management System* shall mean a plant, composting process plant, incinerator, sanitary landfill, transfer station, or other works and equipment that is acquired, installed, or operated to collect, handle, store, process, recover material or energy from, or dispose of solid waste, and includes sites for those works and equipment.

Y. The term *Stated Maturity* shall mean the annual principal payments of the Certificates payable on February 1 of each year the Certificates are Outstanding as set forth in Section 2 of this Order.

SECTION 10. Certificate Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special Fund to be designated “COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES 2018, INTEREST AND SINKING FUND” (the *Certificate Fund*), which Fund shall be kept and maintained at the County’s Depository, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the County are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund or account established or described in this Order may, at the option of the County, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but

not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments in the Certificate Fund shall be made in such a manner that the money required to be expended from the Certificate Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund or account established or described pursuant to the provisions of this Order shall be credited to, and any losses debited to, such fund or account. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the limitations prescribed by law, on each one hundred dollars' valuation of taxable property in the County, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The Commissioners Court hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay such Debt Service Requirements, it having been determined that the existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the County.

The amount of taxes to be provided annually for the payment of the principal of and interest on the Certificates shall be determined and accomplished in the following manner:

A. Prior to the date the Commissioners Court establishes the annual tax rate and passes an order levying ad valorem taxes each year, the Commissioners Court shall determine:

(1) the amount of Debt Service Requirements to become due and payable on the Certificates between the Collection Date for the ad valorem taxes then to be levied and the Collection Date for the ad valorem taxes to be levied during the next succeeding calendar year;

(2) the amount on deposit in the Certificate Fund after (a) deducting therefrom the total amount of Debt Service Requirements to become due on Certificates prior to the Collection Date for the ad valorem taxes to be levied and (b) adding thereto the amount of the Pledged Revenues or any other lawfully available funds appropriated and allocated

during such year to pay such Debt Service Requirements, if any, prior to the Collection Date for the ad valorem taxes to be levied; and

(3) the amount of Pledged Revenues or any other lawfully available funds appropriated and set aside for the payment of the Debt Service Requirements on the Certificates between the Collection Date for the taxes then to be levied and the Collection Date for the taxes to be levied during the next succeeding Fiscal Year.

B. The amount of taxes to be levied annually each year to pay the Debt Service Requirements on the Certificates shall be the amount established in paragraph (1) above less the sum total of the amounts established in paragraphs (2) and (3), after taking into consideration delinquencies and costs of collecting such annual taxes.

SECTION 12. Pledge of Pledged Revenues. The County hereby covenants and agrees that, subject to any prior lien on and pledge of the Net Revenues of the Solid Waste Management System to the payment and security of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the County, the Pledged Revenues are hereby irrevocably pledged to the payment of the principal of and interest on the Obligations Similarly Secured and the pledge of Pledged Revenues herein made for the payment of the Obligations Similarly Secured shall constitute a lien on the Pledged Revenues in accordance with the terms and provisions hereof and be valid and binding without any physical delivery thereof or further act by the County.

SECTION 13. Revenue Fund. The County hereby covenants and agrees that all Gross Revenues derived from the operation of the Solid Waste Management System shall be kept separate and apart from all other funds, accounts and money of the County and shall be deposited as collected into the "COMAL COUNTY SOLID WASTE MANAGEMENT SYSTEM REVENUE FUND" (the *Revenue Fund*). All money deposited in the Revenue Fund shall be pledged and appropriated to the extent required for the following purposes and in the order of priority shown:

First: to the payment of the reasonable and proper Maintenance and Operating Expenses of the Solid Waste Management System required by statute or orders authorizing the issuance of any indebtedness of the County to be a first charge on and claim against the Gross Revenues of the Solid Waste Management System;

Second: to the payment of all amounts required to be deposited in the special funds and accounts established for the payment, security, and benefit of any Prior Lien Bonds hereafter issued by the County in accordance with the terms and provisions of any orders authorizing their issuance;

Third: to the payment of all amounts required to be deposited in the special funds and accounts established for the payment, security, and benefit of any Junior Lien Bonds hereafter issued by the County in accordance with the terms and provisions of any orders authorizing their issuance; and

Fourth: to the payment of the amounts required to be deposited in the special funds and accounts created and established for the payment, security, and benefit of the Obligations Similarly Secured or any Additional Parity Obligations hereafter issued by the

County in accordance with the terms and provisions of the orders authorizing their issuance.

Any Net Revenues remaining in the Revenue Fund after satisfying the foregoing payments, or making adequate and sufficient provision for the payment, security and benefit thereof, may be appropriated and used for any other County purpose now or hereafter permitted by law.

SECTION 14. Deposits to Certificate Fund; Surplus Certificate Proceeds. The County hereby covenants and agrees to cause to be deposited in the Certificate Fund prior to a principal and interest payment date for the Obligations Similarly Secured or any Additional Parity Obligations from the Pledged Revenues in the Revenue Fund, after the deduction of all payments required to be made to the special funds or accounts created for the payment and security of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the County, any amounts budgeted to be paid therefrom in such Fiscal Year.

Accrued interest in the amount of \$_____, received from the Purchasers of the Certificates shall be deposited to the Certificate Fund and ad valorem taxes levied and collected for the benefit of the Certificates shall be deposited to the Certificate Fund. In addition, any surplus proceeds, including investment income, from the sale of the Certificates not expended for authorized purposes shall be deposited in the Certificate Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in said Fund from ad valorem taxes.

SECTION 15. Security of Funds. All money on deposit in the Funds for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Order.

SECTION 16. Maintenance of Solid Waste Management System; Insurance. The County covenants and agrees that while the Certificates remain Outstanding it will maintain and operate the Solid Waste Management System with all possible efficiency and maintain casualty and other insurance (including a system of self-insurance) on the properties of the Solid Waste Management System and its operations of a kind and in such amounts customarily carried by municipal corporations in the State of Texas engaged in a similar type of business (which may include an adequate program of self-insurance); and that it will faithfully and punctually perform all duties with reference to the Solid Waste Management System required by the laws of the State of Texas. All money received from losses under such insurance policies, other than public liability policies, shall be held for the benefit of the holders of the Obligations Similarly Secured and any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the County until and unless the proceeds are paid out in making good the loss or damage in respect of which such proceeds are received, either by replacing the property destroyed or repairing the property damaged, and adequate provision for making good such loss or damage must be made within ninety (90) days after the date of loss. The payment of premiums for all insurance policies required under the provisions hereof shall be considered Maintenance and Operating Expenses. Nothing in this Order shall be construed as requiring the County to expend any funds which are derived from sources other than the operation of the Solid Waste Management System but nothing herein shall be construed as preventing the County from doing so.

SECTION 17. Rates and Charges. The County hereby covenants and agrees with the Holders of the Certificates that rates and charges for solid waste collection afforded by the Solid Waste Management System will be established and maintained to provide Gross Revenues sufficient at all times:

A. to pay, together with any other lawfully available funds, all Maintenance and Operating Expenses;

B. to produce Net Revenues sufficient, together with any other lawfully available funds, to pay (i) the interest on and principal of any Prior Lien Bonds hereafter issued by the County as the same becomes due and payable and the amounts required to be deposited in any special Fund created and established for the payment and security thereof, (ii) the interest on and principal of any Junior Lien Bonds hereafter issued by the County as the same becomes due and payable and the amounts required to be deposited in any special Fund created and established for the payment and security thereof, and (iii) the interest on and principal of the Obligations Similarly Secured or any Additional Parity Obligations hereafter issued by the County as the same becomes due and payable and the amounts required to be deposited in any special Fund created and established for the payment and security thereof; and

C. to pay other legally incurred indebtedness payable from the Net Revenues of the Solid Waste Management System and/or secured by a lien on the Solid Waste Management System or the Net Revenues thereof.

SECTION 18. Records and Accounts - Annual Audit. The County further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate and complete records and accounts pertaining to the operations of the Solid Waste Management System in which complete and correct entries shall be made of all transactions relating thereto, including receipts and disbursements of Pledged Revenues. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the Solid Waste Management System and all properties comprising the same. The County further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Expenses incurred in making the annual audit of the operations of the Solid Waste Management System are to be regarded as Maintenance and Operating Expenses.

SECTION 19. Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the County covenants and agrees particularly that in the event the County (i) defaults in the payments to be made to the Certificate Fund, or (ii) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Certificates shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Commissioners Court of the County and other officers of the County to observe and perform any covenant, condition, or obligation prescribed in this Order.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may

be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 20. Special Covenants. The County hereby further covenants that:

A. it has the lawful power to pledge the Pledged Revenues supporting the currently outstanding Obligations Similarly Secured and the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under the Texas Health and Safety Code, Section 363.135, as amended, and the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Sections 271.041 through Section 271.064; and

B. other than the pledge of the Pledged Revenues for the payment of the currently outstanding Obligations Similarly Secured, the Net Revenues of the Solid Waste Management System have not in any manner been pledged to the payment of any debt or obligation of the County or of the Solid Waste Management System.

SECTION 21. Issuance of Additional Obligations. The County hereby expressly reserves the right to hereafter issue Prior Lien Bonds, without limitation as to principal amount, but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, provided that the order authorizing the issuance of any Prior Lien Bonds provides that such bonds are payable from and secured, in whole or in part, by a first and superior lien on the Net Revenues.

The County hereby expressly reserves the right to hereafter issue Junior Lien Bonds, without limitation as to principal amount, but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, provided that the order authorizing the issuance of any Junior Lien Bonds provides that such obligations are payable from and secured, in whole or in part, by a lien on and pledge of the Net Revenues which are junior and inferior to the Prior Lien Bonds, but have a lien on the Net Revenues superior to the lien securing the payment of the Obligations Similarly Secured and any Additional Parity Obligations.

The County hereby expressly reserves the right to hereafter issue Additional Parity Obligations, on a parity with the Certificates, without limitation as to principal amount, but subject to any terms, conditions or restrictions applicable thereto under law or otherwise, provided that the order authorizing the issuance of any Additional Parity Obligations provides that such obligations are payable from and secured, in whole or in part, by a lien on and pledge of the Pledged Revenues on a parity with the lien securing the payment of the currently outstanding Obligations Similarly Secured.

Any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the County shall be payable, in whole or in part, from a lien on and pledge of the Net Revenues, such liens being prior and superior to the lien on and pledge of the Pledged Revenues securing the payment of the Obligations Similarly Secured and Additional Parity Obligations hereafter issued by the County.

Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations, if issued, may be payable, in whole or in part, from Net Revenues (without impairment of the obligation of contract with the Holders of the Obligations Similarly Secured) upon such terms and conditions as the Commissioners Court may determine.

SECTION 22. Application of the Covenants and Agreements of the Prior Lien Bonds or Junior Lien Bonds. It is the intention of the Commissioners Court and accordingly hereby recognized and stipulated that the provisions, agreements, and covenants contained herein bearing upon the management and operations of the Solid Waste Management System, and the administering and application of Gross Revenues derived from the operation thereof, shall to the extent possible be harmonized with like provisions, agreements, and covenants contained in the orders authorizing the issuance of the Prior Lien Bonds or Junior Lien Bonds and to the extent of any irreconcilable conflict between the provisions contained herein and in the orders authorizing the issuance of the Prior Lien Bonds or Junior Lien Bonds, the provisions, agreements, and covenants contained therein shall prevail to the extent of such conflict and be applicable to this Order, especially the priority of rights and benefits conferred thereby to the owners of any Prior Lien Bonds or Junior Lien Bonds.

SECTION 23. Notices to Holders; Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 24. Cancellation. All Certificates surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the County, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/ Registrar. The County may at any time deliver to the Paying Agent/Registrar for cancellation any Certificates previously certified or registered and delivered which the County may have acquired in any manner whatsoever, and all Certificates so delivered shall be promptly canceled by the Paying Agent/ Registrar. All canceled Certificates held by the Paying Agent/Registrar shall be destroyed as directed by the County.

SECTION 25. Mutilated, Destroyed, Lost, and Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the County and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (ii) there is delivered to the County and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the County or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the County shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate,

a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

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

Upon the issuance of any new Certificate or payment in lieu thereof, under this Section, the County may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Certificate issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Certificate shall constitute a replacement of the prior obligation of the County, whether or not the mutilated, destroyed, lost, or stolen Certificate shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Certificates.

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

SECTION 26. Sale of the Certificates at Competitive Sale – Authorization of Purchase Contract - Use of Certificate Proceeds – Approval of the Official Statement – Proceeds of Sale. The Certificates authorized by this Order are hereby sold by the County to _____, _____, _____, as the authorized representative of a group of purchasers at a competitive sale (the *Purchasers*, having all the rights, benefits, and obligations of a Holder), in accordance with the provisions of an Official Bid Form (the *Official Bid Form*), dated November 6, 2018, attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes, at the price of par, plus a [net] reoffering premium of \$ _____ (including the Purchasers' compensation of \$ _____), plus accrued interest to the date of initial delivery of the Certificates to the Purchasers and is hereby approved and confirmed. The Initial Certificate shall be registered in the name of _____. It is hereby officially found, determined, and declared that the Purchasers are the highest bidder for the Certificates whose bid, received as a result of invitations for competitive bids in compliance with applicable law, produced the lowest true interest cost to the County. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the County. Any Authorized Official is hereby authorized and directed to execute the Official Bid Form for and on behalf of the County and as the act and deed of this Commissioners Court, and in regard to the approval and execution of the Official Bid Form, the Commissioners Court hereby finds, determines and declares that the representations, warranties, and agreements of the County contained in the Official Bid Form are true and correct in all material respects and shall be honored and performed by the County. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Official Bid Form.

Proceeds from the sale of the Certificates shall be applied as follows:

A. Accrued interest in the amount of \$_____ received from the Purchasers shall be deposited into the Certificate Fund.

B. The County received a [net] reoffering premium from the sale of the Certificates of \$_____ which is hereby allocated by the County in the following manner: (1) \$_____ to pay the Purchasers' compensation, (2) \$_____ shall be deposited to the Certificate Fund as described above, and (3) \$_____ shall be deposited to pay certain remaining costs of issuance of the Certificates, including the rounding amount of \$_____.

C. The balance of the proceeds derived from the sale of the Certificates, after making the deposits to the Certificate Fund as described in A and B above, respectively (and after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be acquired or constructed with the proceeds of the Certificates. This special construction account shall be established and maintained at the County's Depository and shall be invested in accordance with the provisions of Section 10 of this Order. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Order.

Furthermore, the County hereby ratifies, confirms, and approves in all respects (i) the County's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Official Notice of Sale, Official Bid Form, and Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Official Bid Form (together with such changes approved by any Authorized Official, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated November __, 2018, in the reoffering, sale and delivery of the Certificates to the public. The County Judge and County Clerk are further authorized and directed to manually execute and deliver for and on behalf of the County copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the Commissioners Court and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the County are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

SECTION 27. Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

“*Closing Date*” means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefor.

“*Code*” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

“*Computation Date*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Gross Proceeds*” means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Certificates.

“*Investment*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

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

“*Rebate Amount*” has the meaning set forth in Section 1.148-1(b) of the Regulations.

“*Regulations*” means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Certificates. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

“*Yield*” of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Certificates has the meaning set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The County shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the

foregoing, unless and until the County receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the County shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent that it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the County shall at all times prior to the last Stated Maturity of Certificates:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Certificates, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Certificates or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the County or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent that it will not cause the Certificates to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the County shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent that it will not cause the Certificates to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the County shall not at any time prior to the final Stated Maturity of the Certificates directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Certificates.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the County shall not take or omit to take any

action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The County shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The County shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Certificate is discharged. However, to the extent permitted by law, the County may commingle Gross Proceeds of the Certificates with other money of the County, provided that the County separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the County shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The County shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the County shall pay to the United States out of the Certificate Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Certificates equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The County shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the County shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Certificates, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Certificates not been relevant to either party.

J. Certificates Not Hedge Bonds.

(1) The County reasonably expects to spend at least 85% of the spendable proceeds of the Certificates within three years after such Certificates are issued.

(2) Not more than 50% of the proceeds of the Certificates will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

K. Elections. The County hereby directs and authorizes any Authorized Official and Bond Counsel, either individually or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Certificates, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document. Such elections shall be deemed to be made on the Closing Date.

SECTION 28. Control and Custody of Certificates. The County Judge shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas and shall take and have charge and control of the Certificates pending their approval by the Attorney General of the State of Texas, the registration thereof by the Comptroller of Public Accounts of the State of Texas and the delivery of the Certificates to the Purchasers.

Furthermore, any Authorized Official, either individually or any combination of them, are hereby authorized and directed to furnish and execute such documents relating to the County and its financial affairs as may be necessary for the issuance of the Certificates, the approval of the Attorney General of the State of Texas and their registration by the Comptroller of Public Accounts of the State of Texas and, together with the County's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Certificate to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

SECTION 29. Satisfaction of Obligation of County. If the County shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Certificates, at the times and in the manner stipulated in this Order, then the lien on and pledge of the Pledged Revenues and the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the County to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Certificates, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited and/or held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Certificates. In the event of a defeasance of the Certificates, the County shall deliver a certificate from its financial advisor, an independent accounting firm, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Certificate. As and to the extent applicable, if at all the County covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Certificates to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 27 hereof).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the County or deposited as directed by the County. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates, or applicable redemption date of the Certificates, such money was deposited and is held in trust to pay shall upon the request of the County be remitted to the County against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the County expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30. Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this

opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the County Clerk or Deputy County Clerk of the County is hereby approved and authorized.

SECTION 31. CUSIP Numbers. CUSIP numbers may be printed or typed on the definitive Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Certificates shall be of no significance or effect as regards the legality thereof, and neither the County nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Certificates.

SECTION 32. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 33. Order a Contract; Amendments - Outstanding Certificates. The County acknowledges that the covenants and obligations of the County herein contained are a material inducement to the purchase of the Certificates. This Order shall constitute a contract with the Holders from time to time, shall be binding on the County and its successors and assigns, and it shall not be amended or repealed by the County so long as any Certificate remains Outstanding except as permitted in this Section. The County may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the County may, with the written consent of Holders holding a majority in aggregate principal amount of the Certificates then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided, however, that, without the consent of all Holders of Outstanding Certificates, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Certificates, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, the redemption price therefor, or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any such amendment, addition, or rescission.

SECTION 34. Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the County, Bond Counsel, the Paying Agent/Registrar, the Purchasers, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the County, Bond Counsel, Paying Agent/Registrar, the Purchasers, and the Holders.

SECTION 35. Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters ordered herein.

SECTION 36. Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be

considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 37. Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 38. Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Commissioners Court hereby declares that this Order would have been enacted without such invalid provision.

SECTION 39. Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Commissioners Court of the County.

SECTION 40. Authorization of Paying Agent/Registrar Agreement. The Commissioners Court of the County hereby finds and determines that it is in the best interest of the County to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Certificates. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Order. In addition, the Commissioners Court hereby ratifies in all respects any and all action heretofore taken thereunder, or obligations incurred thereunder by any County representative as the act and deed of the County for all purposes.

SECTION 41. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the County or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 42. No Recourse Against County Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Certificate or for any claim based thereon or on this Order against any official of the County or any person executing any Certificate.

SECTION 43. Public Meeting. It is officially found, determined, and declared that the meeting at which this Order was adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 44. Book-Entry Only System. The Certificates shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificate

described in Section 7) in the form of a separate single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The County and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit C (the *Representation Letter*).

The Certificates shall be registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Certificates from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Certificates (an *Indirect Participant*). Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Certificates, as shown on the Security Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Certificate, of any amount with respect to principal of, premium, if any, or interest on the Certificates. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the County to make payments of principal, premium, if any, and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

In the event that (a) the County determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the County determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the County shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of the bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the County may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the County, or such depository's agent or designee, and if the County and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 45. Continuing Disclosure Undertaking.

A. Definitions.

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

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

MSRB means the Municipal Securities Rulemaking Board.

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

SEC means the United States Securities and Exchange Commission.

B. Annual Reports.

The County shall file annually with the MSRB, (1) within six months after the end of each fiscal year of the County ending in or after 2018, financial information and operating data with respect to the County of the general type included in the final Official Statement authorized by Section 26 of this Order, being the information described in Exhibit D hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the County, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit D hereto, or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the County commissions an audit of such financial 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, then the County shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the County must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the County Clerk within 180 days after the last day of the County's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the County changes its fiscal year, it will file notice of such change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this Section.

C. Notice of Certain Events.

The County shall file notice of any of the following events with respect to the Certificates to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material.

For these purposes, any event described in the immediately preceding paragraph (12) 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 jurisdiction has been assumed by leaving the existing governing body and officials or officers in 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.

The County shall file notice with 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.

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 Certificates within the meaning of the Rule, except that the County in any event will give notice of any deposit that causes the Certificates to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Certificates, 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 Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 WITH 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 constitute a breach of or default under this Order for purposes of any other provision 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 by the County from time to time 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, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal

amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the holders and beneficial owners of the Certificates. The County may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the County also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the County so amends the provisions of this Section, the County shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

The County information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

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) available to the public through EMMA or filed with the SEC.

SECTION 46. Further Procedures. The officers and employees of the County are hereby 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 corporate 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 initial sale and delivery of the Certificates, the Paying Agent/Registrar Agreement, the Official Bid Form, and the Official Statement. In addition, prior to the initial delivery of the Certificates, the County Judge, County Clerk or Deputy County Clerk, 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 and approved by this Order and as described in the Official Statement 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 Certificates by the Texas Attorney General's office. In case any officer of the County whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall

nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 47. Contracts with Financial Advisor and/or Bond Counsel. The Commissioners Court authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the County (the *Financial Advisor*). The County understands that under applicable federal securities laws and regulations that the County must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates. In addition, the Commissioners Court also authorizes any Authorized Official, or their designees, to take all actions necessary to execute any necessary engagement agreement with Norton Rose Fulbright US LLP, as the Bond Counsel to the County.

SECTION 48. County's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the County hereby consents to and authorizes any Authorized Officials, Bond Counsel to the County, and/or Financial Advisor to the County to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

SECTION 49. Delegation Authorization Pursuant to HB 1295. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, pursuant to the Act, and any other applicable law, the Board hereby delegates to the Superintendent of Schools the authority to independently select the counterparty to the Paying Agent/Registrar Agreement, any agreement with any rating agency, escrow agent, verification agent, bond insurer, securities depository, or any other contract that is determined by the Superintendent of Schools, the County's financial advisor, or the County's bond counsel to be necessary or incidental to the issuance of the Bonds as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the "Ancillary Bond Contracts") and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the County. As a result of such delegation, the provisions of Section 2252.908 of the Texas Government Code, as amended, are not applicable to the Ancillary Bond Contracts pursuant to 1 Texas Administrative Code Sec. 46.1(c).

SECTION 50. Effective Date. This Order shall be in force and effect from and after its final passage, and it is so ordered.

PASSED AND ADOPTED on the 1st day of November, 2018.

COMAL COUNTY, TEXAS

County Judge

ATTEST:

County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)

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SCHEDULE I

Approval Certificate

See Tab No. __

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EXHIBIT A

Paying Agent/Registrar Agreement

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EXHIBIT B

Official Bid Form

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EXHIBIT C

DTC Letter of Representations

See Tab No. __

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EXHIBIT D

Description of Financial Information and Operating Data

Information and Data with Respect to the County

The information and data with respect to the County referred to in Section 45 of this Order are the quantitative financial information and operating data specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The County's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the County appended to the Official Statement as Appendix C, but for the most recently concluded fiscal year.
2. The information of the general type included in the Official Statement in Appendix A thereto (excluding, however, the information in such appendix appearing under the heading "Consolidated Overlapping Gross Funded Debt Payable from Ad Valorem Taxes").

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.