
**ORDER
OF THE
COMMISSIONERS COURT
OF
BROWN COUNTY, TEXAS**

AUTHORIZING THE ISSUANCE OF

**BROWN COUNTY, TEXAS
TAX NOTES
SERIES 2017**

January 9, 2017
(Exhibit #5)

ORDER AUTHORIZING THE ISSUANCE OF TAX NOTES

THE STATE OF TEXAS
BROWN COUNTY

§
§

WHEREAS, pursuant to Chapter 1431, Texas Government Code (hereinafter called the "Act"), the Commissioners Court (the "Commissioners Court") of Parker County, Texas (the "Issuer") is authorized and empowered to issue tax anticipation notes to pay contractual obligations incurred or to be incurred (i) for the construction of any public work and (ii) for the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the Issuer's authorized needs and purposes; and

WHEREAS, in accordance with the provisions of the Act, the Commissioners Court hereby finds and determines that a series of tax notes (the "Notes" and each note, a "Note") should be issued and sold at this time to pay costs associated with purpose of paying costs associated with constructing and acquiring the Project (as hereinafter defined) and paying professional fees, including the fees of bond counsel, financial advisor, architectural costs, including preparation of plans and specifications and various other plans and drawings related to the Project, and other professional services; and

WHEREAS, the County Auditor has recommended the authorization of the Notes by the Commissioners Court for the projects described in the preceding paragraph, and the governing body of the Issuer deems it appropriate to adopt this Order and issue the Parker County, Texas Tax Note, Series 2015 herein authorized as permitted by the Act;

NOW, THEREFORE, BE IT ORDERED BY THE COMMISSIONERS COURT OF BROWN COUNTY:

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE NOTES. The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section. The Notes of the Brown County, Texas (the "Issuer") are hereby authorized to be issued and delivered in the aggregate principal amount of \$530,000 for paying all or a portion of the Issuer's contractual obligations for the acquisition, construction and equipment of a new County Treasurer's and Elections office building and the renovation and remodel of the Brown County Courthouse, the Brown County Law Enforcement Center, the Juvenile Justice Building, including The Oaks and the Ray West Juvenile Justice Center, and the Brown County Extension office building, to wit: HVAC improvements and replacement, water/plumbing improvements, lighting replacement and roofing replacement, and for paying legal, fiscal and engineering fees in connection with such project (the "Project").

Section 2. DESIGNATION, DATE, DENOMINATIONS AND NUMBERS. Each Note issued pursuant to this Order shall be designated: "BROWN COUNTY, TEXAS, TAX NOTE, SERIES 2017", and initially there shall be issued, sold, and delivered hereunder one fully registered Note, without interest coupons, dated February 1, 2017, in the principal amount stated above and

in the denominations hereinafter stated, numbered T-1, with Notes issued in replacement thereof being in the denominations and principal amounts hereinafter stated and numbered consecutively from R-1 upward, payable to the respective Registered Owners thereof (with the initial Note being made payable to the initial purchaser as described in Section 11 hereof), or to the registered assignee or assignees of said Notes or any portion or portions thereof (in each case, the "Registered Owner").

Section 3. MATURITIES OF NOTES AND INTEREST RATES. (a) The Notes shall mature on September 1 in the years and in the principal amounts and interest rates set forth below, interest on each Note accruing on the basis of a 360-day year of twelve 30-day months from the date of initial delivery of the Notes to the initial purchaser thereof or the most recent interest payment date to which interest has been paid or provided for at the per annum rates of interest, payable semiannually on March 1 and September 1 of each year until the principal amount shall have been paid or provision for such payment shall have been made, commencing March 1, 2018, as follows:

Year	Principal Amount	Interest Rate
2019	\$ 100,000	3.00 %
2020	100,000	3.25
2021	105,000	3.50
2022	110,000	3.75
2023	115,000	4.00

(b) Notwithstanding anything to the contrary herein, on and after any Taxable Date, the interest rate on the Note shall be established at a rate equal to the Taxable Rate. For purposes of this Section 3(b):

"*Determination of Taxability*" means (a) any determination, decision, decree or advisement by the Commissioner of Internal Revenue, or any District Director of Internal Revenue or any court of competent jurisdiction to the effect that Note Interest is Taxable, or (b) the delivery to the Registered Owner of a written opinion of nationally recognized bond counsel to the effect that Note Interest is Taxable. A Determination of Taxability also shall be deemed to have occurred on the first to occur of the following:

(i) the date when the Issuer files any statement, supplemental statement, or other tax schedule, return or document, which discloses that Note Interest is Taxable;

(ii) the effective date of any federal legislation enacted or federal rule or regulation promulgated after the date of this Order which has the effect that Note Interest is Taxable; or

(iii) if upon sale, lease or other deliberate action within the meaning of Treas. Reg. § 1.141-12(d), the failure to receive an unqualified opinion of a nationally recognized bond counsel to the effect that such action will not cause interest on the Notes to become includable in the gross income of the recipient.

"*Note Interest is Taxable*" means that interest paid or to be paid on the Notes is or will be includable for federal income tax purposes in the gross income of the Registered Owner thereof, but excluding the inclusion of interest on such Notes as an item of tax preference for purposes of the calculation of an alternative minimum tax imposed on such Registered Owner.

"*Taxable Date*" means the date on which interest on the Notes is first includable in gross income of the Registered Owner thereof as a result of a Determination of Taxability.

"*Taxable Rate*" means, for any date of determination, the rate of interest per annum equal to the product of the interest rate on the Notes then in effect multiplied by 1.25.

Section 4. CHARACTERISTICS OF THE NOTES. (a) Registration, Transfer, Conversion and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated corporate trust office of TexasBank, Brownwood, Texas, the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Notes (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Note to which payments with respect to the Notes shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Issuer shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Note or Notes. Registration of assignments, transfers, conversions and exchanges of Notes shall be made in the manner provided and with the effect stated in the FORM OF NOTE set forth in this Order. Each substitute Note shall bear a letter and/or number to distinguish it from each other Note.

Except as provided in Subsection (c) of this Section, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Note, date and manually sign said Note, and no such Note shall be deemed to be issued or outstanding unless such Note is so executed. The Paying Agent/Registrar promptly shall cancel all paid Notes and Notes surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Note or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Notes in the manner prescribed herein, and said Notes shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Government Code, and particularly Subchapter D thereof, the duty of conversion and exchange of Notes as aforesaid is hereby imposed upon the Paying

Agent/Registrar, and, upon the execution of said Note, the converted and exchanged Note shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Notes that initially were issued and delivered pursuant to this Order, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) Payment of Notes and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Notes, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Notes, and of all conversions and exchanges of Notes, and all replacements of Notes, as provided in this Order. However, in the event of a nonpayment 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 Issuer. Notice of the past due interest 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 registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Notes (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Notes to be payable only to the registered owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 50 days prior to any such redemption date), (iii) may be converted and exchanged for other Notes, (iv) may be transferred and assigned, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Notes shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the Issuer shall have certain duties and responsibilities with respect to the Notes, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF NOTE set forth in this Order. The Note initially issued and delivered pursuant to this Order is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Note issued in conversion of and exchange for any Note or Notes issued under this Order the Paying Agent/Registrar shall execute the PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE, in the form set forth in the FORM OF NOTE.

(d) Reserved.

(e) Reserved.

(f) Reserved.

(g) Reserved.

(h) Conditional Notice of Redemption. With respect to any optional redemption of the Notes, unless certain prerequisites to such redemption required by this Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Notes to be

redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Notes and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Notes have not been redeemed.

Section 5. FORM OF NOTES. The form of the Notes, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Notes initially issued and delivered pursuant to this Order, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Order.

(a) [Form of Note]

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS BROWN COUNTY, TEXAS TAX NOTE SERIES 2017	PRINCIPAL AMOUNT \$_____
--------	---	--------------------------------

<u>Interest Rate</u>	<u>Date of Initial Delivery</u>	<u>Maturity Date</u>
	February 9, 2017	September 1, 20__

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, Brown County (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the Maturity Date specified above, the Principal Amount specified above. The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Initial Delivery set forth above at the Interest Rate per annum specified above. Interest is payable on March 1, 2018 and semiannually on each September 1 and March 1 thereafter to the Maturity Date specified above, or the date of redemption prior to maturity; except, if this Note is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of

authentication hereof the interest on the Note or Notes, if any, for which this Note is being exchanged is due but has not been paid, then this Note shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Note are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Note shall be paid to the registered owner hereof upon presentation and surrender of this Note at maturity, or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office of TexasBank, Brownwood, Texas, which is the "Paying Agent/Registrar" for this Note. The payment of interest on this Note shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the order authorizing the issuance of this Note (the "Note Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the fifteenth day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such 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 Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Note appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Note prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Note for redemption and payment at the designated corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Note that on or before each principal payment date, interest payment date, and accrued interest payment date for this Note it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Note Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Notes, when due.

IF THE DATE for the payment of the principal of or interest on this Note shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the city where the designated 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 that is not such a Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS Note is one of a series of Notes dated as of February 1, 2017, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$530,000 for paying all or a portion of the Issuer's contractual obligations for the acquisition, construction and equipment of a new County Treasurer's and Elections office building and the renovation and remodel of the Brown County Courthouse, the Brown County Law Enforcement Center, the Juvenile Justice Building, including The Oaks and the Ray West Juvenile Justice Center, and the Brown County Extension office building, to wit: HVAC improvements and replacement, water/plumbing improvements, lighting replacement and roofing replacement, and for paying legal, fiscal and engineering fees in connection with such projects.

ON ANY DATE, the unpaid principal installments of the Notes are subject to redemption, and may be redeemed prior to the scheduled due dates by the Issuer, in an amount of not less than \$5,000, at a redemption price equal to the principal amount thereof to be redeemed plus accrued interest thereon to the date of redemption, without premium. The Issuer shall give written notice of its direction to redeem the Notes to the Paying Agent/Registrar and the Registered Owner of the Notes by United States mail, first-class postage prepaid, no later than 30 days prior to the redemption date.

AT LEAST 30 days prior to the date fixed for any redemption of Notes or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, at least 30 days prior to the date fixed for any such redemption, to the registered owner of each Note to be redeemed at its address as it appeared on the 45th day prior to such redemption date; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Note. By the date fixed for any such redemption due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Notes or portions thereof that are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Notes or portions thereof that are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Note shall be redeemed, a substitute Note or Notes having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Note Order.

ALL NOTES OF THIS SERIES are issuable solely as fully registered Notes, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Note Order, this Note may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered Notes, without interest coupons, payable to the appropriate registered owner, assignee or assignees,

as the case may be, having the same denomination or denominations in any integral multiple of \$5,000 as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Note to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Note Order. Among other requirements for such assignment and transfer, this Note must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Note or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Note or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Note may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Note or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Note or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion, or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Note or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited and covenanted that this Note has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Note have been performed, existed and been done in accordance with law; that this Note is a general obligation of said Issuer, issued on the full faith and credit thereof; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Note, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said Issuer, and have been pledged for such payment, within the limit prescribed by law, all as provided in the Note Order.

BY BECOMING the registered owner of this Note, the registered owner thereby acknowledges all of the terms and provisions of the Note Order, agrees to be bound by such terms and provisions, acknowledges that the Note Order is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Note and the Note Order constitute a contract between each registered owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed with the manual or facsimile signature of the County Judge of the Issuer and countersigned with the manual or facsimile signature of the County Clerk of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Note.

County Clerk

County Judge

(SEAL)

(b) [Form of Paying Agent/Registrar's Authentication Certificate]

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Note is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Note has been issued under the provisions of the Note Order described in the text of this Note; and that this Note has been issued in conversion or replacement of, or in exchange for, a Note, Notes, or a portion of a Note or Notes of a series that originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated: _____

TexasBank,
Brownwood, Texas
Paying Agent/Registrar

By: _____
Authorized Representative

(c) [Form of Assignment]

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____.

Please insert Social Security or Taxpayer Identification Number of Transferee

(Please print or typewrite name and address, including zip code, of Transferee.)

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

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

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

(d) [Form of Registration Certificate of the Comptroller of Public Accounts]

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) [Initial Note Insertions]

(i) The initial Note shall be in the form set forth in paragraph (a) of this Section, except that:

A. immediately under the name of the Note, the headings "Interest Rate" and "Maturity Date" shall both be completed with the words "As shown below" and "CUSIP No. _____" shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"BROWN COUNTY, TEXAS (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on September 1 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
2019	\$ 100,000	3.00 %
2020	100,000	3.25
2021	105,000	3.50
2022	110,000	3.75
2023	115,000	4.00

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Initial Delivery set forth above at the respective Interest Rate per annum specified above. Interest is payable on March 1, 2018 and semiannually on each September 1 and March 1 thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Note is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such Principal Amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Note or Notes, if any, for which this Note is being exchanged is due but has not been paid, then this Note shall bear interest from the date to which such interest has been paid in full."

C. The Initial Note shall be numbered "T-1."

Section 6. INTEREST AND SINKING FUND. A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the Issuer at an official depository bank of the Issuer. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Notes. All amounts received from the sale of the Notes as accrued interest, if any, and ad valorem

taxes levied and collected for and on account of the Notes shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of the Notes are outstanding and unpaid, the Commissioners Court shall compute and ascertain a rate and amount of ad valorem tax that will be sufficient to raise and produce the money required to pay the interest on the Notes as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of the Notes as such principal matures (but never less than 2% of the original amount of the Notes as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of the Issuer, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer, for each year while any of the Notes are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Notes, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Section 7. CONTINUED PERFECTION OF SECURITY INTEREST. Chapter 1208, Government Code, applies to the issuance of the Notes and the pledge of the ad valorem taxes granted by the Issuer under Section 6 of this Order, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Notes are outstanding and unpaid such that the pledge of the taxes granted by the Issuer under Section 6 of this Order is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the registered owners of the Notes the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 8. DEFEASANCE OF NOTES. (a) Any Note and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Note") within the meaning of this Order, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Note, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with the Paying Agent/Registrar for the payment of its services until all Defeased Notes shall have become due and payable. At such time as a Note shall be deemed to be a Defeased Note hereunder, as aforesaid, such Note and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes or revenues herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial

institution permitted by applicable law) for the payment of such Defeased Notes, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem Defeased Notes that is made in conjunction with the payment arrangements specified in Subsection (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Notes for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Notes immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Notes and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Notes may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Defeased Notes, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Notes.

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

(e) In the event that the Issuer elects to defease less than all of the principal amount of Notes of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Notes by such random method as it deems fair and appropriate.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED NOTES. (a) Replacement Notes. In the event any outstanding Note is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Note of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Note, in replacement for such Note in the manner hereinafter provided.

(b) Application for Replacement Notes. Application for replacement of damaged, mutilated, lost, stolen or destroyed Notes shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Note, the registered owner applying for a replacement Note shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Note, the registered owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Note, as the case may be. In every case of damage or mutilation of a Note, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Note so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Note shall have matured, and no default has occurred that is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Note, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Note) instead of issuing a replacement Note, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Notes. Prior to the issuance of any replacement Note, the Paying Agent/Registrar shall charge the registered owner of such Note with all legal, printing, and other expenses in connection therewith. Every replacement Note issued pursuant to the provisions of this Section by virtue of the fact that any Note is lost, stolen or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen or destroyed Note shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Notes duly issued under this Order.

(e) Authority for Issuing Replacement Notes. In accordance with Subchapter D of Chapter 1201, Government Code, this Section of this Order shall constitute authority for the issuance of any such replacement Note without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such Notes is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Notes in the form and manner and with the effect, as provided in Section 4(a) of this Order for Notes issued in conversion and exchange for other Notes.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF NOTES; BOND COUNSEL'S OPINION. (a) The County Judge of the Issuer is hereby authorized to have control of the Notes initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Notes pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Notes said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Notes, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Note. The approving legal opinion of the Issuer's Bond Counsel may, at the option of the Issuer, be printed on the Notes issued and delivered under this Order, but shall

have no legal effect, and shall be solely for the convenience and information of the registered owners of the Notes.

(b) The obligation of the initial purchaser to accept delivery of the Notes is subject to the initial purchaser being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Notes to the initial purchaser. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Notes is hereby approved and confirmed..

Section 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE NOTES.

(a) Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action that would adversely affect, the treatment of the Notes as Obligation described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Notes (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Notes, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Notes or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" that is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount that is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Notes (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action that would otherwise result in the Notes being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Notes being "federally guaranteed" within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Notes, directly or indirectly, to acquire or to replace funds that were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) that produces a materially higher yield over the term of the Notes, other than investment property acquired with –

(A) proceeds of the Notes invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(B) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Notes;

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

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

(9) to assure that the proceeds of the Notes will be used solely for new money projects.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (a)(8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such Fund shall not be subject to the claim of any other person, including without limitation the Noteholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Use of Proceeds. For purposes of the foregoing covenants (a)(1) and (a)(2), the Issuer understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Notes. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto.

In the event that regulations or rulings are hereafter promulgated that modify or expand provisions of the Code, as applicable to the Notes, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Notes under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated that impose additional requirements applicable to the Notes, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Notes under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs the County Judge to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, that may be permitted by the Code as are consistent with the purpose for the issuance of the Notes.

(d) Allocation of, and Limitation on, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the construction and acquisition of the Project on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed. The foregoing notwithstanding, the Issuer shall not expend proceeds of the sale of the Notes or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Notes, or (2) the date the Notes are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Notes or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Disposition of Project. The Issuer covenants that the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Notes. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Notes. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains a legal opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(f) Designation as Qualified Tax-Exempt Obligations. The Issuer hereby designates the Notes as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the Issuer represents, covenants and warrants the following: (a) that during the calendar year in which the Notes are issued, the Issuer (including any subordinate entities) has not designated nor will designate obligations that when aggregated with the Notes, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) that the

Issuer reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Notes are issued, by the Issuer (or any subordinate entities) will not exceed \$10,000,000; and, (c) that the Issuer will take such action or refrain from such action as necessary, and as more particularly set forth in Section 9 hereof, in order that the Notes will not be considered "private activity bonds" within the meaning of section 141 of the Code.

Section 12. SALE OF NOTES. The Notes are hereby initially sold and shall be delivered to TexasBank (the "Purchaser"), for cash for the par value thereof, pursuant to the purchase agreement dated the date of the final passage of this Order which the County Judge is hereby authorized to execute and deliver. The Notes shall initially be registered in the name of the Purchaser. It is hereby officially found, determined, and declared that the terms of this sale are the most advantageous reasonably obtainable.

Section 13. INTEREST EARNINGS ON NOTE PROCEEDS; USE OF PROCEEDS.

(a) Interest Earnings. Interest earnings derived from the investment of proceeds from the sale of the Notes shall be used along with other Note proceeds for the Project; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on Note proceeds that are required to be rebated to the United States of America pursuant to Section 11 hereof in order to prevent the Notes from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section

(b) Use of Proceeds. Proceeds from the sale of the Notes shall be applied as follows: the sum of \$28,000 shall be applied to pay costs of issuance; and the sum of \$502,000 shall be deposited to the Construction Fund authorized by Section 13 hereof and used for the construction of the Project.

Section 14. CONSTRUCTION FUND. The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the "2017 Tax Note Construction Fund" for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Project as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in Section 6 of this Order.

Section 15. NO RULE 15c2-12 UNDERTAKING. The Issuer has not made an undertaking in accordance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule") due the offering of the Notes not being within the purview of the Rule, based upon the limited offering of the Notes. The Issuer is not, therefore, obligated pursuant to the Rule to provide any on-going disclosure relating to the Issuer or the Notes. Nonetheless, in consideration for the purchase of the Notes by the Purchaser, so long as the Purchaser is the holder of the Notes, the Issuer agrees to provide the Issuer's most current financial information and operating data upon written request.

Section 16. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Order subject to the following terms and conditions, to-wit:

(a) The Issuer may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Order in order to (i) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Order and which shall not materially adversely affect the interests of the holders, (v) qualify this Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Order as shall not be inconsistent with the provisions of this Order and which shall not in the opinion of the Issuer's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Notes aggregating in principal amount 51% of the aggregate principal amount of then outstanding Notes which are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto which may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Notes, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Notes so as to:

- (1) Make any change in the maturity of any of the outstanding Notes;
- (2) Reduce the rate of interest borne by any of the outstanding Notes;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Notes;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Notes or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Notes necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Order under this Section, the Issuer shall send by U.S. mail to each registered owner of the affected Notes a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of publication of such notice the Issuer shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Notes then outstanding which are required for the amendment, which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Order pursuant to the provisions of this Section, this Order shall be deemed to be modified and amended in accordance with such amendatory Order, and the respective rights, duties, and obligations of the Issuer and all holders of such affected Notes shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Note pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Note during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Notes then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

For the purposes of establishing ownership of the Notes, the Issuer shall rely solely upon the registration of the ownership of such Notes on the registration books kept by the Paying Agent/Registrar.

Section 17. INCONSISTENT PROVISIONS. All indentures, orders or resolutions, or parts thereof, that 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 contained herein.

Section 18. 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 19. SEVERABILITY. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

Section 20. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an event of default (an "Event of Default"):

(i) the failure to make payment of the principal of or interest on any of the Notes when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the

Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

Section 21. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Notes then outstanding.

Section 22. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Notes or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Notes shall not be available as a remedy under this Order.

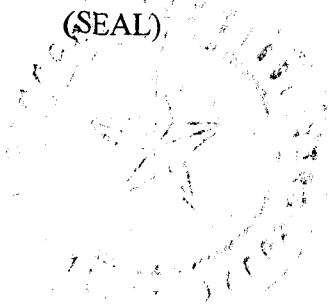
(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Note authorized under this Order, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the Commissioners Court.

IN WITNESS WHEREOF, the Issuer has caused this Note to be signed with the manual or facsimile signature of the County Judge of the Issuer and countersigned with the manual or facsimile signature of the County Clerk of said Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Note.

Sharon Ferguson
County Clerk

E Ray West
County Judge



Brown County, Texas
Summary of Financing

Issuance: \$530,000 Tax Notes, Series 2017

Proceeds: \$502,000

First Interest Payment Due: March 1, 2018

First Principal Payment Due: September 1, 2019

Final Maturity of Issue: September 1, 2023

Purchaser: TexasBank

True Interest Cost (TIC): 3.61%

Optional Redemption: Anytime @ par

Brown County, Texas

Tax Impact Analysis

\$502,000 Proceeds

Final Numbers

A	B	C	D	E	F	G	H	I	J
Year	Taxable Assessed Valuation	Existing Tax Supported	I&S Tax Rate ⁽¹⁾	Principal	Interest	Debt Service	Aggregate Tax Supported	I&S Tax Rate ⁽¹⁾	Year
2017	\$ 2,575,000,000	\$ 1,700,446	0.0641	\$ -	\$ -	\$ -	\$ 1,700,446	0.0641	2017
2018	2,575,000,000	1,705,038	0.0676	-	29,115	29,115	1,734,152	0.0687	2018
2019	2,575,000,000	1,377,374	0.0546	100,000	18,650	118,650	1,496,024	0.0593	2019
2020	2,575,000,000	1,372,579	0.0544	100,000	15,650	115,650	1,488,229	0.0590	2020
2021	2,575,000,000	586,534	0.0232	105,000	12,400	117,400	703,934	0.0279	2021
2022	2,575,000,000	589,259	0.0234	110,000	8,725	118,725	707,984	0.0281	2022
2023	2,575,000,000	586,500	0.0232	115,000	4,600	119,600	706,100	0.0280	2023
2024	2,575,000,000	582,282	0.0231				582,282	0.0231	2024
2025	2,575,000,000	587,687	0.0233				587,687	0.0233	2025
2026	2,575,000,000	587,415	0.0233				587,415	0.0233	2026
2027	2,575,000,000	585,299	0.0232				585,299	0.0232	2027
2028	2,575,000,000	582,611	0.0231				582,611	0.0231	2028
2029	2,575,000,000	589,352	0.0234				589,352	0.0234	2029
2030	2,575,000,000	588,633	0.0233				588,633	0.0233	2030
2031	2,575,000,000	582,124	0.0231				582,124	0.0231	2031
		\$ 12,603,132		\$ 530,000	\$ 89,140	\$ 619,140	\$ 13,222,271		

(1) Tax collection percentage 98.0%. Actual FY 2017 tax rate.