

CERTIFICATE FOR ORDER

THE STATE OF TEXAS
COUNTY OF NUECES

We, the undersigned officers of Nueces County, Texas (the "County"), hereby certify as follows:

1. The Commissioners Court of said County convened in Regular Meeting on September 12, 2018, at the designated meeting place, and the roll was called of the duly constituted officers and members of said Commissioners Court, to wit:

Samuel L. Neal, Jr.	County Judge
Carolyn Vaughn	Commissioner, Precinct No. 1
Joe A. Gonzalez	Commissioner, Precinct No. 2
John Marez	Commissioner, Precinct No. 3
Brent Chesney	Commissioner, Precinct No. 4

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said Meeting: a written

AN ORDER BY THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS AUTHORIZING THE ISSUANCE OF NUECES COUNTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2018, LEVYING AN ANNUAL AD VALOREM TAX, WITHIN THE LIMITS PRESCRIBED BY LAW, FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS RELATING TO THE ISSUANCE, SALE AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT, AN ESCROW AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE COMMISSIONERS COURT AND COUNTY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE

was duly introduced for the consideration of said Commissioners Court. It was then duly moved and seconded that said Order be adopted and, after due discussion, said motion, carrying with it the adoption of said Order, prevailed and carried by the following vote:

AYES: _____ NOES: _____ ABSTAIN: _____

2. That a true, full and correct copy of the aforesaid Order adopted at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that said Order has been duly recorded in said Commissioners Court's minutes of said Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Commissioners Court's minutes of said Meeting pertaining to the adoption of said Order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Commissioners Court as indicated therein; that

each of the officers and members of said Commissioners Court was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid Meeting, and that said Order would be introduced and considered for adoption at said Meeting, and each of said officers and members consented, in advance, to the holding of said Meeting for such purpose, and that said Meeting was open to the public and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code.

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this the 12th day of September, 2018.

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

(SEAL OF THE COMMISSIONERS COURT)

AN ORDER BY THE COMMISSIONERS COURT OF NUECES COUNTY, TEXAS AUTHORIZING THE ISSUANCE OF NUECES COUNTY, TEXAS GENERAL OBLIGATION REFUNDING BONDS, TAXABLE SERIES 2018, LEVYING AN ANNUAL AD VALOREM TAX, WITHIN THE LIMITS PRESCRIBED BY LAW, FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS RELATING TO THE ISSUANCE, SALE AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A BOND PURCHASE CONTRACT, AN ESCROW AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE COMMISSIONERS COURT AND COUNTY STAFF TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court (the "Commissioners Court") of Nueces County, Texas (the "County" or the "Issuer") has determined to authorize the refunding of certain outstanding obligations described in Schedule I attached hereto and incorporated herein (the "Refunded Obligations"); and

WHEREAS, it is deemed advisable and to the best interest of the County that the bonds hereinafter authorized be sold at this time, pursuant to the laws of the State of Texas; and

WHEREAS, the bonds hereinafter authorized are to be issued and delivered pursuant to the laws of the State of Texas, including specifically Chapter 1207, Texas Government Code, for the purposes set forth in this Order; Now, Therefore

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

Section 1. AUTHORIZATION OF BONDS. The County's bonds, to be designated "Nueces County, Texas General Obligation Refunding Bonds, Taxable Series 2018" (the "Bonds"), are hereby authorized to be issued and delivered in the aggregate principal amount of \$8,185,000 for the purpose of (i) refunding the Refunded Obligations and (ii) paying the costs of issuance incurred in connection with the issuance and delivery of the Bonds. The term "Bonds" as used in this Order shall mean and include collectively the bonds initially issued and delivered pursuant to this Order and all substitute bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

Section 2. DATE, DENOMINATIONS, NUMBERS, MATURITIES, AND INTEREST RATES. The Bonds shall initially be issued, sold and delivered hereunder as fully registered bonds, without interest coupons, dated September 15, 2018, shall be in principal denominations of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), shall be numbered consecutively from R-1 upward, payable to the respective initial registered owner thereof, or to the registered assignee or assignees of the Bonds or any portion thereof (in each case, the "registered owner") in the manner provided and on the dates stated in the FORM OF BOND, and shall mature on February 15 in each of the years in the principal amounts, respectively, bearing interest from the Date of Delivery (hereinafter defined) to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the following schedule:

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Interest (%)</u>
2028	2,620,000	
2029	2,725,000	
2030	2,840,000	

Section 3. REDEMPTION. (a) *Optional Redemption.* The County reserves the right to redeem the Bonds maturing on and after February 15, 20__, in whole or in part, in Authorized Denominations, on February 15, 20__, or on any date thereafter, at the redemption price of par plus accrued interest thereon to the date fixed for redemption. If less than all of the Bonds are to be redeemed by the County, the County shall determine the maturity or maturities and the amounts thereof to be redeemed and shall direct the Paying Agent/Registrar (hereinafter defined) to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption; provided, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the County and the securities depository. The County shall notify the Paying Agent/Registrar at least forty-five (45) days prior to the scheduled redemption date that a redemption of the Bonds is to be effected.

(b) *Mandatory Redemption.* The Bonds are not subject to mandatory sinking fund redemption prior to their scheduled maturities.

(c) *Notice.* At least thirty (30) days prior to the date fixed for any such redemption the County shall cause a written notice of such redemption to be deposited in the United States mail, first-class postage prepaid, addressed to each such registered owner at the address shown on the Registration Books (hereinafter defined) of the Paying Agent/Registrar on the 45th day before such redemption date. By the date fixed for any such redemption, due provision shall be made by the County with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or the portions thereof which are to be so redeemed, plus accrued interest thereon to the date fixed for redemption. Except as provided in subsection (d) of this Section with respect to a conditional redemption of Bonds, if such notice of redemption is given, and if due provision for such payment is made, all as provided above, the Bonds or the portions thereof which are to be so redeemed, thereby automatically shall be redeemed prior to their scheduled maturities, and shall not bear interest after the date fixed for their redemption, and shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price of par plus accrued interest thereon to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of the Bonds or any portion thereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in one or (at the written request of the registered owner) more Authorized Denominations, and in an 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 County, all as provided in this Order. Each redemption notice, whether required in the FORM OF BOND or otherwise by this Order, shall contain a description of the Bonds to be redeemed, including the complete name of the Bonds, the series, the date of issue, the interest rate, the maturity date, the CUSIP number, the amounts called for redemption, the publication and mailing date for the notice, the date of redemption, the redemption price, the name of the Paying Agent/Registrar (including a contact person and telephone number), and the address at which the Bonds may be redeemed. All redemption payments made by the Paying Agent/Registrar to the registered owners of the Bonds shall include CUSIP numbers relating to each amount paid to such registered owner.

(d) *Notice of Conditional Redemption.* With respect to any optional redemption of the Bonds, unless certain prerequisites to such optional redemption required by this Order have been met and money

sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption may, at the option of the County, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the County will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds have not been redeemed.

Section 4. CHARACTERISTICS OF THE BONDS. (a) *Registration of Bonds.* The Issuer shall keep or cause to be kept at the designated corporate trust office of The Bank of New York Mellon Trust Company, N.A., or such other bank, trust company, financial institution, or other agency named in accordance with the provisions of subsection (g) of this Section (the "Paying Agent/Registrar"), books or records for the registration and transfer of the Bonds (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 transfers and registrations under such reasonable regulations as the Issuer and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. The place of payment so designated by the Paying Agent/Registrar shall be referred to herein as the "Designated Trust Office" of the Paying Agent/Registrar. It shall be the duty of the Paying Agent/Registrar to obtain from the registered owner and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided. The Issuer or its designee shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar at its Designated Trust Office, 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. Registration of each Bond may be transferred in the Registration Books only upon presentation and surrender thereof to the Paying Agent/Registrar at its Designated Trust Office for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing the assignment of such Bond, or any portion thereof in an Authorized Denomination, to the assignee or assignees thereof, and the right of such assignee or assignees to have such Bond or any such portion thereof registered in the name of such assignee or assignees. Upon the assignment and transfer of any Bond or any portion thereof, a new substitute Bond or Bonds shall be issued in exchange therefor in the manner herein provided. As of the date this Order is approved by the Commissioners Court, the Designated Trust Office is the Dallas, Texas office of The Bank of New York Mellon Trust Company, N.A., set forth in the "Paying Agent/Registrar Agreement" executed by the County and the Paying Agent/Registrar in connection with the sale and delivery of the Bonds.

(b) *Registration Books; Ownership.* The entity in whose name any Bond shall be registered in the Registration Books at any time shall be treated as the absolute owner thereof for all purposes of this Order, whether such Bond shall be overdue, and the County and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Bond shall be made only to such registered owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) *Paying Agent.* The County hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, and to act as its agent to exchange or replace Bonds, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the County and the Paying Agent/Registrar with respect to the Bonds, and of all exchanges thereof, and all replacements thereof, as provided in this Order.

(d) *Exchange, Assignment and Transfer of Bonds.* Each Bond may be exchanged for fully registered bonds in the manner set forth herein. Each Bond issued and delivered pursuant to this Order, to the extent of the unredeemed principal amount thereof, may, upon surrender thereof at the Designated Trust Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the registered owner or the assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantee of signatures satisfactory to the Paying Agent/Registrar, at the option of the registered owner or such assignee or assignees, as appropriate, be exchanged for fully registered bonds, without interest coupons, in the form prescribed in the FORM OF BOND, in an Authorized Denomination (subject to the requirement hereinafter stated that each substitute Bond shall have a single stated maturity date), as requested in writing by such registered owner or such assignee or assignees, in an aggregate principal amount equal to the principal amount of any Bond or Bonds so surrendered, and payable to the appropriate registered owner, assignee, or assignees, as the case may be. If a portion of any Bond shall be redeemed prior to its scheduled maturity as provided herein, a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in one or (at the request of the registered owner) more Authorized Denominations, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation. If any Bond or portion thereof is assigned and transferred, each Bond issued in exchange therefor shall have the same principal maturity date and bear interest at the same rate as the Bond for which it is being exchanged. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond. The Paying Agent/Registrar shall exchange or replace Bonds as provided herein, and each fully registered bond or bonds delivered in exchange for or replacement of any Bond or portion thereof as permitted or required by any provision of this Order shall constitute one of the Bonds for all purposes of this Order, and may again be exchanged or replaced. It is specifically provided, however, that any Bond delivered in exchange for or replacement of another Bond prior to the first scheduled interest payment date on the Bonds (as stated on the face thereof) shall be dated the same date as such Bond, but each substitute Bond so delivered on or after such first scheduled interest payment date shall be dated as of the interest payment date on which interest due on the respective Bond was paid in full, next preceding the date on which such substitute Bond is delivered, unless such substitute Bond is delivered on an interest payment date, in which case it shall be dated as of such delivery date; provided, however, that if at the time of delivery of any substitute Bond the interest on the Bond for which it is being exchanged has not been paid, then such substitute Bond shall be dated as of the date to which such interest has been paid in full, and if no interest has been paid on the Bond, then such substitute Bond will be dated as of the Date of Delivery. On each substitute Bond issued in exchange for or replacement of any Bond or Bonds issued under this Order there shall be printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BOND (the "Authentication Certificate"). An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such substitute Bond, date such substitute Bond in the manner set forth above, and manually sign and date the Authentication Certificate, and no such substitute Bond shall be deemed to be issued or outstanding unless the Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all Bonds surrendered for exchange or transfer. No additional Orders, orders, or resolutions need be passed or adopted by the Commissioners Court so as to accomplish the foregoing exchange, assignment or transfer of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of exchange and transfer of any Bond as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the Authentication Certificate, the substitute Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which were originally issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(e) *General.* All Bonds issued in exchange for or, pursuant to Section 11 hereof, replacement of any other Bond or portion thereof (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the registered owners thereof, (ii) may be

redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed and sealed, and (vii) shall be payable as to the principal of and interest on the Bonds, all as provided, and in the manner required or indicated, in the FORM OF BOND.

(f) *Fees of Paying Agent/Registrar.* The County shall pay the Paying Agent/Registrar's reasonable and customary fees and charges for making transfers of Bonds, but the registered owner of any Bond requesting such transfer shall pay any taxes or other governmental charges required to be paid with respect thereto. The registered owner of any Bond requesting any exchange shall pay the Paying Agent/Registrar's reasonable and standard or customary fees and charges for exchanging any such Bond or portion thereof, together with any taxes or governmental charges required to be paid with respect thereto, all as a condition precedent to the exercise of such privilege of exchange, except, however, that in the case of the exchange of an assigned and transferred Bond or any portion thereof in any Authorized Denomination, and in the case of the exchange of the unredeemed portion of a Bond which has been redeemed in part prior to maturity, as provided in this Order, such fees and charges will be paid by the County. In addition, the County hereby covenants with the registered owners of the Bonds that it will pay the (i) reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on Bonds, when due, and (ii) fees and charges of the Paying Agent/Registrar for services with respect to the transfer or registration of Bonds solely to the extent above provided, and with respect to the exchange of Bonds solely to the extent above provided.

(g) *Change in Paying Agent/Registrar.* The County covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the County will provide a competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Order, and that the Paying Agent/Registrar will be one entity. The County reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than sixty (60) days written notice to the Paying Agent/Registrar. In the event that the entity at any time acting as the Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the County covenants that it will promptly appoint a competent and legally qualified bank, trust company, financial institution, or other agency which shall be 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, subject to supervision or examination by federal or state authority, and whose qualifications are substantially similar to the those of the previous Paying Agent/Registrar, to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver to the new Paying Agent/Registrar, designated and appointed by the County, the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds. Upon any change in the Paying Agent/Registrar, the County promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(h) *Form 1295 Filing.* The Paying Agent/Registrar has confirmed to the County that it is exempt from the disclosure form filing requirement under Section 2252.908, Texas Government Code.

Section 5. FORM OF BONDS. The form of the Bonds, including the form of the Comptroller's Registration Certificate to accompany the Bonds initially issued and delivered to the Underwriters pursuant to Section 22 of this Order, and both the forms of the Authentication Certificate and of Assignment to be printed on each of the Bonds authorized to be issued and delivered hereunder, shall be substantially in the form as set forth in Exhibit A to this Order, with such appropriate variations, omissions, or insertions as are

permitted or required by this Order. The printer of the Bonds is hereby authorized to print on the Bonds (i) the form of bond counsel's opinion relating to the Bonds, and (ii) an appropriate statement of insurance furnished by a municipal bond insurance company providing municipal bond insurance, if any, covering all or any part of the Bonds.

Section 6. DEFINITIONS. For all purposes of this Order, except as otherwise expressly provided or unless the context otherwise requires: (i) the terms in the preamble to this Order have the meanings assigned to them in the preamble of this Order, and all such terms include the plural as well as the singular; (ii) the terms defined below have the meanings assigned to them in this Section, and all such terms include the plural as well as the singular; (iii) 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 (iv) 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.

The term *Authorized Denomination* has the meaning assigned to such term in Section 2 of this Order.

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

The term *Bonds* has the meaning assigned to such term in Section 1 of this Order.

The term *Business Day* shall mean any day that is not a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated Trust Office of the Paying Agent/Registrar is located are authorized by law or executive order to close.

The term *Code* shall mean the Internal Revenue Code of 1986.

The term *Date of Delivery* shall mean the date of delivery of the Bonds to the Underwriters in exchange for payment in full in accordance with the terms of the Purchase Contract.

The term *Designated Trust Office* has the meaning assigned to such term in Section 4 of this Order.

The term *Escrow Agent* shall mean the financial institution so designated in the Escrow Agreement.

The term *Escrow Agreement* shall mean the Escrow Agreement executed by the County and the Escrow Agent in connection with the refunding of the Refunded Obligations.

The term *Interest and Sinking Fund* shall mean the fund so designated in Section 7 of this Order.

The term *MSRB* shall mean the Municipal Securities Rulemaking Board.

The term *Paying Agent/Registrar* has the meaning assigned to such term in Section 4 of this Order.

The term *Purchase Contract* shall mean the Bond Purchase Contract between the County and the Underwriters, executed in connection with the sale of the Bonds.

The term *Registration Books* has the meaning assigned to such term in Section 4 of this Order.

The term *Rule* means SEC Rule 15c2-12.

The term *SEC* means the United States Securities and Exchange Commission.

The term *Underwriters* shall mean the financial institutions so named in the Purchase Contract.

Section 7. INTEREST AND SINKING FUND. A special fund or account, to be designated the "Nueces County, Texas Series 2018 General Obligation Refunding Bonds Interest and Sinking Fund" (the "Interest and Sinking Fund") is hereby created and shall be established and maintained by the County. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the County, and shall be used only for paying principal of and interest on the Bonds as such principal and interest comes due. All ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any Bond is outstanding and unpaid, the Commissioners Court shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the County, with full allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund to pay the principal of the Bonds as such principal matures (including principal maturing due to mandatory sinking fund redemption, if any), but never less than 2% of the outstanding principal amount of the Bonds as a sinking fund each year. The rate and amount of ad valorem tax is hereby ordered to be levied against all taxable property in the County for each year while any Bond is outstanding and unpaid, and the ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes necessary to pay the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law.

Section 8. REASONS FOR REFUNDING. The County hereby finds that the issuance of the Bonds for the purpose of refunding the Refunded Obligations to realize cash flow savings in fiscal years 2010 through 2022 is a public purpose. The refunding of the Refunded Obligations will result in a net present value loss of \$_____ and a gross loss of \$_____, which amount is attributable primarily to additional debt service payments resulting from extending the maturities of the Refunded Obligations.

Section 9. ESCROW AGREEMENT; NOTICE OF REDEMPTION. (a) *Execution of Escrow Agreement Authorized.* Each Authorized Officer is hereby authorized to execute and deliver the Escrow Agreement, executed and delivered in connection with the refunding of the Refunded Obligations, in substantially the form attached to this Order. The Escrow Agent has confirmed to the County that it is exempt from the disclosure form filing requirements under Section 2252.908, Texas Government Code.

(b) *Redemption of Refunded Obligations.* The County Judge or the designee thereof shall take such actions as are necessary to cause notice of redemption to be given for the Refunded Obligations called for redemption, in accordance with the terms of the Order authorizing the issuance of the Refunded Obligations.

Section 10. TRANSFER. The County shall do any and all things necessary to accomplish the transfer funds from Interest and Sinking Fund of this issue to the Paying Agent/Registrar in a manner sufficient to effectuate the timely payment of principal of and interest on the Bonds as such principal and interest become due and payable.

Section 11. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS. (a) *Replacement Bonds.* In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new Bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) *Application for Replacement Bonds.* Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made only by the registered owner thereof (or such registered owner's designee) to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the applicant for a replacement Bond shall furnish to the County 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 Bond, the applicant shall furnish to the County and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond, as the case may be. In every case of damage or mutilation of a Bond, the applicant shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

(d) *Charge for Issuing Replacement Bonds.* Prior to the issuance of any replacement Bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement Bond issued pursuant to the provisions of this Section, by virtue of the fact that any Bond is lost, stolen, or destroyed, shall constitute a contractual obligation of the County whether the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Bonds duly issued under this Order.

(e) *Authority for Issuing Replacement Bonds.* In accordance with Chapter 1206, Texas Government Code, this Section of this Order shall constitute authority for the issuance of any such replacement Bond without necessity of further action by the Commissioners Court of the County or any other body or person, and the duty of the replacement of such Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, subject to the conditions imposed by this Section 11 of this Order, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in paragraphs (d) and (e) of Section 4 of this Order for Bonds issued in exchange or transfer of other Bonds.

Section 12. CHAPTER 1208, TEXAS GOVERNMENT CODE. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of ad valorem taxes granted by the County under Section 7, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the County is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, then in order to preserve to the registered owners of the Bonds the perfection of the security interest in said pledge, the County agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 13. FEDERAL INCOME TAX MATTERS. The County does not intend to issue the Bonds in a manner such that the Bonds would constitute obligations described in section 103(a) of the Code.

Section 14. USE OF PROCEEDS. The proceeds from the sale of the Bonds may be used for the purposes described in Section 1 of this Order, in the manner described in the letter of instructions executed by the County or on behalf of the County by its financial advisor. The foregoing notwithstanding, proceeds representing premium on the Bonds shall be used in a manner consistent with the provisions of Section

1201.042(d), Texas Government Code. Any amounts remaining after completion of the purposes described in Section 1 hereof shall be transferred to the Interest and Sinking Fund.

Section 15. DEFAULT AND REMEDIES.

(a) *Events of Default.* Each of the following occurrences or events, for the purposes of this Order, is hereby declared to be an Event of Default:

(i) the failure to make funds available to the Paying Agent/Registrar sufficient to make payment of the principal of or interest on any Bond when the same becomes due and payable; or

(ii) except as provided in Section 18(c)(iv) of this Order, default in the performance or observance of any other covenant, agreement or obligation of the County, which the failure to perform materially, adversely affects the rights of the registered owners of the Bonds, 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 sixty (60) days after notice of such default is given by any registered owner to the County.

(b) *Remedies for Default.*

(i) Upon the happening of any Event of Default, then and in every case, any registered owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the County, or any official, officer or employee of the County in their official capacity, for the purpose of protecting and enforcing the rights of the registered 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 registered owners hereunder or any combination of such remedies.

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all registered owners of Bonds then outstanding.

(c) *Remedies Not Exclusive.*

(i) 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 Bonds 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 Bonds shall not be available as a remedy under this Order.

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

(iii) By accepting the delivery of a Bond authorized under this Order, such registered 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 members of the County or the Commissioners Court.

(iv) None of the members of the Commissioners Court, nor any other official or officer, agent, or employee of the County, shall be charged personally by the registered owners with any liability, or be held personally liable to the registered owners under any term or provision of this Order, or because of any Event of Default or alleged Event of Default under this Order.

Section 16. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS. The County Judge or the designee thereof is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds 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 Bonds, said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Registration Certificate.

Section 17. DTC REGISTRATION. The Bonds initially shall be issued and delivered in such manner that no physical distribution of the Bonds will be made to the public, and the Depository Trust Company ("DTC"), New York, New York, initially will act as depository for the Bonds. DTC has represented that it is a limited purpose trust company incorporated under the laws of the State of New York, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered under Section 17A of the Securities Exchange Act of 1934, as amended, and the County accepts, but in no way verifies, such representations. Upon the receipt of payment from the Underwriters for the Bonds originally issued and delivered as authorized by this Order, the Paying Agent/Registrar shall cancel the initial Bonds and issue and deliver to DTC, separate single definitive Bonds for each maturity of the Bonds, in the aggregate principal amount of the Bonds of such maturity, fully registered in the name of CEDE & CO. as the nominee of DTC. It is expected that DTC will hold the Bonds on behalf of the Underwriters and DTC's participants. So long as each Bond is registered in the name of CEDE & CO., the Paying Agent/Registrar shall treat and deal with DTC the same in all respects as if it were the actual and beneficial owner thereof. It is expected that DTC will maintain a book-entry system which will identify beneficial ownership of the Bonds in Authorized Denominations, with transfers of beneficial ownership being effected on the records of DTC and its participants pursuant to rules and regulations established by DTC and its participants, and that the definitive Bonds initially deposited with DTC shall be immobilized and not be further exchanged for substitute Bonds except as hereinafter provided. The County is not responsible or liable for any functions of DTC, will not be responsible for paying any fees or charges with respect to its services, will not be responsible or liable for maintaining, supervising, or reviewing the records of DTC or its participants, or protecting any interests or rights of the beneficial owners of the Bonds. It shall be the duty of the DTC Participants, as defined in the Official Statement herein approved, to make all arrangements with DTC to establish this book-entry system, the beneficial ownership of the Bonds, and the method of paying the fees and charges of DTC. The County does not represent, and does not in any way covenant, that the initial book-entry system established with DTC will be maintained in the future. Notwithstanding the initial establishment of the foregoing book-entry system with DTC, if for any reason any of the originally delivered Bonds is duly filed with the Paying Agent/Registrar with proper request for transfer and substitution, as provided for in this Order, substitute Bonds will be duly delivered as provided in this Order, and there will be no assurance or representation that any book-entry system will be maintained for such Bonds. In connection with the initial establishment of the foregoing book-entry system with DTC, the previous execution and delivery of the Blanket Letter of Representations shall apply to the Bonds.

Section 18. CONTINUING DISCLOSURE OBLIGATION. (a) *Annual Reports.* (i) The County shall provide annually to the MSRB, in an electronic format prescribed by the MSRB, certain updated financial information and operating data of County, being the following (1) the County's financial statements; and (2) the information found in Tables 1 through 9 in the Official Statement authorized by

Section 22 of this Order. The County will update and provide the information in Tables 1 through 9 of the Official Statement within six months after the end of each fiscal year ending in and after 2018. The County's financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the financial statements of the County appended to the Official Statement and attached as Exhibit B 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 (2) audited, if the County commissions an audit of such statements and the audit is completed within twelve (12) months after the end of each fiscal year ending in or after 2018. If audited financial statements are not available by the end of the twelve (12) month period, then the County shall provide notice that the audited financial statements are not available, shall provide unaudited financial statements by the required time, and the County shall provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

(ii) If the County changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC. All filings shall be made electronically, in the format specified by the MSRB.

(b) *Disclosure Event Notices.* The County shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

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 Bonds, or other events affecting the tax status of the Bonds;
7. Modifications to rights of holders of the Bonds, if material;
8. Bond calls, if material, and tender offers;
9. Defeasances;
10. Release, substitution, or sale of property securing repayment of the Bonds, if material;
11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the County;
13. The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of the assets of the County, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
14. Appointment of a successor Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material.

As used in clause 12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the County in a proceeding under the U.S. 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 of the County, or if jurisdiction has been assumed by leaving the Commissioners Court and official or officers of the County 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 notify the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection.

(c) *Limitations, Disclaimers, and Amendments.* (i) The County shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the County remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the County in any event will give notice of any deposit made in accordance with this Order or applicable law that causes Bonds no longer to be outstanding.

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The County undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the County's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

(iv) No default by the County in observing or performing its obligations under this Section shall comprise a breach of or default under the 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.

(v) Should the Rule be amended to obligate the County to make filings with or provide notices to entities other than the MSRB, the County agrees to undertake such obligation in accordance with the Rule as amended.

(vi) 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 Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (A) the registered owners 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 Bonds 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 interest of the registered owners and beneficial owners of the

Bonds. If the County so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The County may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 19. DEFEASANCE. (a) *Deemed Paid.* Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsection (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to 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 County with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond 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. Notwithstanding any other provision of this Order to the contrary, the County hereby reserves the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date Defeased Bonds, provided that in the proceedings providing for the Defeased Bonds, the County: (1) expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the firm banking and financial arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) *Investment in Defeasance Securities.* Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the County 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 Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the County, or deposited as directed in writing by the County. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds 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) above. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Securities, with respect to which such money has been so deposited, shall be remitted to the County or deposited as directed in writing by the County.

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

(d) *Defeasance Securities.* The term "Defeasance Securities" means any securities or obligations now or hereafter authorized by the laws of the State of Texas as eligible to discharge obligations such as

the Bonds. The laws of the State of Texas currently permit defeasance of obligations such as the Bonds with the following types of securities: (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the County Council approves the proceedings authorizing the defeasance of the Bonds or 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 Commissioners Court approves the proceedings authorizing the defeasance of the Bonds or 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; and (iv) any additional securities and obligations hereafter authorized by Texas law as eligible for use to accomplish the discharge of obligations such as the Bonds.

(e) *Continuing Duty of Paying Agent/Registrar.* Until all Defeased Bonds shall become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the County shall make proper arrangements to provide and pay for such services.

Section 20. AMENDMENTS. The County hereby reserves the right to amend this Order subject to the following terms and conditions.

(a) *Amendments Not Requiring Consent.* The County may from time to time, without the consent of any holder of the Bonds, except as otherwise required by paragraph (b) below, amend or supplement this Order in order to (1) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interest of the holders of the Bonds, (2) grant additional rights or security for the benefit of the holders of the Bonds, (3) add events of default as shall not be inconsistent with the provisions of this Order and that shall not materially adversely affect the interest of the holders of the Bonds, (4) 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 (5) make such other provisions in regard to matters or questions arising under this Order that are not inconsistent with the provisions hereof and which, in the opinion of nationally-recognized bond counsel selected by the County, do not materially adversely affect the interests of the holders of the Bonds.

(b) *Amendments With Consent.* Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount a majority of the aggregate principal amount of the Bonds then outstanding shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the County; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the Bonds then outstanding, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds,
- (2) Reduce the rate of interest borne by any of the outstanding Bonds,
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds,
- (4) Modify the terms of payment of principal of, redemption premium, if any, or interest on the outstanding Bonds, or imposing any condition with respect to such payment, or

(5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) *Notice.* If at any time the County shall desire to amend this Order, the County shall provide notice of such amendment to the registered owners of the Bonds then outstanding by sending via United States mail, first-class postage prepaid, to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) *Receipt of Consents.* Whenever at any time within one year from the date of the first mailing of said notice of the proposed amendment the County shall receive an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of all the Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) *Effect of Amendments.* Upon the adoption by the County of any Order to amend this Order pursuant to the provisions of this Section, this Order shall be deemed to be amended in accordance with the amendatory Order, and the respective rights, duties, and obligations of the County and all the owners of then outstanding Bonds and all future Bonds shall thereafter be determined, exercised, and enforced under this Order, as amended.

(f) *Consent Irrevocable.* Any consent given by any owner of Bonds pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent, and shall be conclusive and binding upon all future owners of the same Bonds during such period. Such consent may be revoked at any time after six months from the date such consent was given by the owner, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the County, but such revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds then outstanding, prior to the attempted revocation, consented to and approved the amendment.

(g) *Ownership.* For the purpose of establishing ownership of the Bonds, the County shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 21. SECURITY FOR FUNDS. The Interest and Sinking Fund created by this Order shall be secured in the manner and to the fullest extent permitted or required by law for the security of public funds, and the Interest and Sinking Fund shall be used only for the purposes and in the manner permitted or required by this Order.

Section 22. SALE OF BONDS. (a) *Sale.* The Bonds are hereby sold and shall be delivered to the Underwriters for the purchase price specified in the Purchase Contract. Bonds, one for each principal amount and maturing on the respective maturity date as set forth in Section 2 hereof, shall be delivered to the Underwriters, and the Underwriters shall have the right to exchange such Bonds as provided in Section 4 hereof without cost. The Bonds shall be initially registered in the name of the representative of the Underwriters named in the Purchase Contract, or its nominee. The sale of the Bonds to the Underwriters was on terms that are most advantageous to the County reasonably obtained and, upon the advice of the County's financial advisor, is in the best interests of the County.

(b) *Section 2252.908, Government Code.* Before executing the Purchase Contract, each of the Underwriters confirmed to the County that it is exempt from filing the disclosure form required by Section 2252.908, Texas Government Code.

(c) *Offering Documents.* The Commissioners Court hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto (the "Official

Statement"), and approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriters in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement prior to the date hereof is hereby ratified and confirmed.

Section 23. FURTHER PROCEDURES. The Authorized Officials, and all other officers, employees, and agents of the County, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the corporate seal and on behalf of the County all such instruments, whether herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, and the sale and delivery of the Bonds and fixing all details in connection therewith. In case any officer whose signature shall appear on any Bond, or any document relating to the authorization, sale or issuance of the Bonds, shall cease to be such officer before the Date of Delivery of the Bonds, 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 24. MISCELLANEOUS PROVISIONS. (a) *Titles Not Restrictive.* The titles assigned to the various sections of this Order are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Order.

(b) *Rules of Construction.* References to any named person means that party and its successors and assigns. References to any constitutional, statutory or regulatory provision means such provision as it exists on the date this Order is adopted by the County and any future amendments thereto or successor provisions thereof. Any reference to "FORM OF BOND" shall refer to the form of the Bonds set forth in Exhibit A to this Order. Any reference to the payment of principal in this Order shall be deemed to include the payment of any mandatory sinking fund redemption payments as may be described herein.

(c) *Inconsistent Provisions.* All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed and declared to be inapplicable, and the provisions of this Order shall be and remain controlling as to the matters prescribed herein.

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

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

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

(g) *Payment of Attorney General Fee Authorized.* The Commissioners Court hereby authorizes the payment of the fee of the Office of the Attorney General of the State of Texas for the examination of the proceedings relating to the issuance of the Bonds, in the amount determined in accordance with the provisions of Section 1202.004, Texas Government Code.

(h) *Preamble.* The preamble to this Order is incorporated by reference and made a part hereof for all purposes.

(j) *Immediate Effect.* In accordance with the provisions of Section 1201.028, Texas Government Code, this Order shall be effective immediately upon its adoption by the Commissioners Court.

Schedule I

SCHEDULE OF REFUNDED OBLIGATIONS

General Obligation Refunding Bonds, Series 2010

Maturity February 15,	Original Principal Outstanding	Principal Amount Refunded	Coupon	CUSIP	Redemption Date
2019	5,410,000	4,000,000	5.000	670386LY5	
2020	5,410,000	1,610,000	4.000	670386LZ2	
2021	5,655,000	1,100,000	5.000	670386MA6	2/15/2020
2022	5,265,000	1,035,000	5.000	670386MB4	2/15/2020

Exhibit A
to
Order

FORM OF BOND

NO. R-_____

\$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
NUECES COUNTY, TEXAS
GENERAL OBLIGATION REFUNDING BOND
TAXABLE SERIES 2018

<u>MATURITY DATE</u>	<u>INTEREST RATE</u>	<u>DATE OF DELIVERY</u>	<u>CUSIP</u>
	%		

Nueces County, Texas (the "County" or the "Issuer"), being a body corporate and a political subdivision of the State of Texas, hereby promises to pay to _____, or to the registered assignee hereof (either being hereinafter called the "registered owner") the principal amount of

_____ DOLLARS

and to pay interest thereon, from the Date of Delivery specified above, to the Maturity Date specified above, or the date of its redemption prior to scheduled maturity, at the interest rate per annum specified above, with said interest payable on February 15, 2019, and semiannually on each August 15 and February 15 thereafter; except that if this Bond is required to be authenticated and the date of its authentication is later than February 15, 2019, such interest is payable semiannually on each August 15 and February 15 following such date.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. At maturity, or upon the date fixed for its redemption prior to maturity, the principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at the designated corporate trust office in Dallas, Texas (the "Designated Trust Office") of The Bank of New York Mellon Trust Company, N.A., which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check, 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 Bond (the "Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared at the close of business on fifteenth calendar day of the month next preceding such interest payment date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. Any accrued interest due at maturity or redemption prior to maturity, as provided herein, shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the Designated Trust Office of the Paying Agent/Registrar. The Issuer covenants with the registered owner of this Bond that on or before each principal and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the

Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IN THE EVENT OF 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 ("Special Payment Date", which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner of a Bond appearing on the Registration Books kept by the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

IF THE DATE for the payment of the principal of or interest on this Bond shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Designated 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 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 BOND is one of a Series of Bonds dated September 15, 2018, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$8,185,000, for the purpose of refunding the Refunded Obligations (as such term is defined in the Order), and paying costs of issuance incurred in connection therewith.

THE BONDS of this Series are payable from the proceeds of an annual ad valorem tax levied upon all taxable property within the County, within the limitations prescribed by law.

THE BONDS of this Series scheduled to mature on and after February 15, 20__ may be redeemed prior to their scheduled maturities, in whole, or in part in principal amounts of \$5,000 or any integral multiple thereof (an "Authorized Denomination"), at the option of the County, on February 15, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the date fixed for redemption. If less than all of the Bonds are to be redeemed by the County, the County shall determine the maturity or maturities and the amounts therewith to be redeemed and shall direct the Paying Agent/Registrar to call by lot Bonds, or portions thereof, within such maturity or maturities and in such principal amounts, for redemption; *provided*, that during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the County and the securities depository.

A WRITTEN NOTICE OF redemption shall be sent to the registered owner of each Bond or a portion thereof being called for redemption at least 30 days prior to the date fixed for such redemption by depositing such notice in the United States mail, first-class postage prepaid, addressed to each such registered owner at the address shown on the Registration Books of the Paying Agent/Registrar. If such notice of redemption is mailed, and if due provision for such payment is made, all as provided above, this Bond, or the portion hereof which is to be so redeemed, thereby automatically shall be redeemed prior to its scheduled maturity, and shall not bear interest after the date fixed for its redemption, and shall not be regarded as being outstanding except for the right of the registered owner

to receive the redemption price plus accrued interest to the date fixed for redemption from the Paying Agent/Registrar out of the funds provided for such payment. The Paying Agent/Registrar shall record in the Registration Books all such redemptions of principal of this Bond or any portion hereof. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any Authorized Denomination, 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 Order.

THE FOREGOING NOTWITHSTANDING, with respect to any optional redemption of the Bonds, unless certain prerequisites to such optional redemption required by the Order have been met and money sufficient to pay the principal of, premium, if any, and interest on the Bonds to be redeemed will have been received by the Paying Agent/Registrar prior to giving such notice, such notice may state that the optional redemption will, at the option of the County, be conditional upon the satisfaction of such prerequisites and receipt of such money by the Paying Agent/Registrar on or prior to the date fixed for such redemption or upon any prerequisite set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption are not satisfied, such notice will be of no force and effect, the County will not redeem such Bonds and the Paying Agent/Registrar will give notice in the manner in which the notice of redemption was given, to the effect that such Bonds will not be redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered bonds, without interest coupons, in any Authorized Denomination. As provided in the Order, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, and exchanged for a like aggregate principal amount of fully registered bonds, without interest coupons, payable to the appropriate registered owner, assignee, or assignees, as the case may be, having the same maturity date, and bearing interest at the same rate, in any 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 Bond to the Paying Agent/Registrar at its Designated Trust Office for cancellation, all in accordance with the form and procedures set forth in the Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar at its Designated Trust Office, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be transferred and registered. The form of Assignment printed or endorsed on this Bond 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 Bond or any portion or portions hereof from time to time by the registered owner. The one requesting such exchange shall pay the Paying Agent/Registrar's reasonable standard or customary fees and charges for exchanging any Bond or portion thereof. The foregoing notwithstanding, in the case of the exchange of an assigned and transferred Bond or Bonds or any portion or portions thereof, such fees and charges of the Paying Agent/Registrar 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, or exchange as a condition precedent to the exercise of such privilege. In any circumstance, both the County and the Paying Agent/Registrar shall not be required (i) to make any such transfer or exchange during the period beginning at 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) to transfer or exchange any Bonds so selected for redemption

when such redemption is scheduled to occur within 45 calendar days; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of an unredeemed balance of a Bond called for redemption in part.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

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

IT IS HEREBY certified, recited, covenanted and represented that all acts, conditions and things required to be performed, exist and be done precedent to the issuance of this Bond 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 law, and that issuance of the Bonds 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 Bonds by the levy of annual ad valorem taxes as aforesaid. In case any provision in this Bond or any application thereof shall be deemed illegal, invalid or unenforceable, the legality, validity and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and governed by the laws of the State of Texas.

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

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

NUECES COUNTY, TEXAS

By: _____
County Judge

COUNTERSIGNED AND REGISTERED:

County Clerk and Ex-Officio Clerk of the
Commissioners Court

(SEAL OF THE COMMISSIONERS COURT)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the proceedings adopted by the County as described in the text of this Bond; and that this Bond has been issued in exchange for or replacement of a bond of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated _____

The Bank of New York Mellon Trust Company,
N.A., Paying Agent/Registrar

By _____
Authorized Representative

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 Bond and all rights thereunder, and hereby irrevocably constitutes

and appoints _____ attorney to

register the transfer of the within Bond on books kept for registration thereof,

with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

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

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

**Exhibit B
to the Order**

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 18 of this Order.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the County to be provided annually in accordance with such Section are as specified below (and included in the Appendix or under the headings of the Official Statement referred to):

1. The information included in the Official Statement under the following captions, but for the most recently concluded fiscal year: Tables 1 through 9, inclusive.
2. Appendix B to the Official Statement, "**Excerpts from the Annual Financial Report of Nueces County, Texas for the Fiscal Year Ended September 30, 2017**".

Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the Annual Financial Report referred to above.