

TRANSCRIPT OF PROCEEDINGS
RELATING TO

\$10,410,000 Fannin County, Texas Combination Tax and Limited Pledge Revenue
Certificates of Obligation, Series 2022

Delivery Date: July 27, 2022

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\$10,410,000
Fannin County, Texas
Combination Tax and Limited Pledge Revenue
Certificates of Obligation, Series 2022

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\$10,410,000
Fannin County, Texas
Combination Tax and Limited Pledge Revenue
Certificates of Obligation, Series 2022

CERTIFICATE OF COUNTY CLERK

THE STATE OF TEXAS §
 §
COUNTY OF FANNIN §

THE UNDERSIGNED HEREBY CERTIFIES that:

1. The Commissioners Court (the *Court*) of Fannin County, Texas (the *County*), convened on the 28th day of June, 2022 in regular session in the regular meeting place of the Court in the County Courthouse (the *Meeting*), which Meeting was at all times open to the public, the duly constituted officers and members of the Court being as follows:

Randy Moore	County Judge
Edwina Lane	Commissioner, Place 1
A.J. Self	Commissioner, Place 2
Jerry Magness	Commissioner, Place 3
Dean Lackey	Commissioner, Place 4

and all of such persons were present at the Meeting, except the following: none, thus constituting a quorum. Among other business considered at the Meeting, the attached order (the *Order*) entitled:

AN ORDER AUTHORIZING THE ISSUANCE OF “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE COUNTY’S LIBRARY SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENTS WITH THE COUNTY’S FINANCIAL ADVISORS; AND PROVIDING AN EFFECTIVE DATE

was introduced for the due consideration of the Court. After presentation and discussion of the Order, a motion was made by Commissioner Jerry Magness that the Order be passed and adopted. The motion was seconded by Commissioner Edwina Lane and carried by the following vote:

5 voted "For" 0 voted "Against" 0 "Abstained"

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

2. The attached Order is a true and correct copy of the original on file in the official records of the County; the duly qualified and acting members of the Court on the date of the Meeting are those persons shown above, and, according to the records of my office, each member of the Court was given actual notice of the time, place, and purpose of the Meeting and had actual notice that the Order would be considered; and the Meeting and deliberation of the aforesaid public business was open to the public and written notice of said meeting, including the subject of the Order, was posted and given in advance thereof in compliance with the provisions of Chapter 551, as amended, Texas Government Code.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this 28th day of June, 2022.

Tammy Buggan

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

(SEAL OF COMMISSIONERS COURT)



AN ORDER AUTHORIZING THE ISSUANCE OF “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”; PROVIDING FOR THE PAYMENT OF SAID CERTIFICATES BY THE LEVY OF AN AD VALOREM TAX UPON ALL TAXABLE PROPERTY WITHIN THE COUNTY AND FURTHER SECURING SAID CERTIFICATES BY A LIEN ON AND PLEDGE OF THE PLEDGED REVENUES OF THE COUNTY’S LIBRARY SYSTEM; PROVIDING THE TERMS AND CONDITIONS OF SAID CERTIFICATES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY OF SAID CERTIFICATES, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE REQUIREMENTS IMPOSED BY THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENTS WITH THE COUNTY’S FINANCIAL ADVISORS; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court of Fannin County, Texas (the *County*) has caused notice to be given of its intention to issue certificates of obligation in the maximum principal amount of \$11,000,000 for the purpose of providing funds for the payment of contractual obligations of the County to be incurred for (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects; and

WHEREAS, this notice has been duly posted on the County’s website, if available, and published in a newspaper hereby found and determined to be of general circulation in the County, once a week for two (2) consecutive weeks, the date of the first (1st) publication of such notice being not less than forty-six (46) days prior to the tentative date stated therein for the passage of the order authorizing the issuance of such certificates of obligation; and

WHEREAS, in accordance with the provisions of Section 271.049, as amended, Texas Local Government Code, the County confirms that notice of the County’s intention to issue certificates of obligation was approved by resolution at a public meeting and stated (1) the then-current principal of all outstanding debt of the County; (2) the then-current combined principal and interest required to pay all outstanding debt obligations of the County on time and in full, based on the County’s expectations relative to the interest due on any variable rate debt obligations,

as applicable (3) the maximum principal amount of the certificates of obligation to be authorized; (4) the estimated combined principal and interest required to pay the certificates of obligation in full; (5) the estimated interest rate for the certificates of obligation or that the maximum interest rate for the certificates of obligation may not exceed the maximum legal interest rate; and (6) the maximum maturity date of the certificates of obligation; and

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

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

WHEREAS, the Commissioners Court hereby finds and determines that the issuance of the certificates of obligation in the principal amount of \$10,410,000 is in the best interests of the residents of the County; now, therefore,

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

SECTION 1. Authorization - Designation - Principal Amount - Purpose. The certificates of obligation of the County shall be and are hereby authorized to be issued in the aggregate principal amount of TEN MILLION FOUR HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$10,410,000), to be designated and bear the title of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022” (the *Certificates*), for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, pursuant to the authority conferred by and in conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Sections 271.041 through 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, Texas Local Government Code, as amended.

SECTION 2. Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates – Certificate Date. The Certificates are issuable in fully registered form only, shall be dated July 1, 2022 (the *Certificate Date*), shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R-” and numbered consecutively from One (1) upward, and the Certificates shall become due and payable on March 1 in each of the years and in principal amounts (the *Stated Maturities*) and bear interest on the

unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or to Stated Maturity, at the per annum rates, while Outstanding, in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2023	100,000	5.000
2024	230,000	5.000
2025	245,000	5.000
2026	255,000	5.000
2027	270,000	5.000
2028	280,000	5.000
2029	295,000	5.000
2030	310,000	5.000
2031	325,000	5.000
2032	345,000	5.000
2033	360,000	5.000
2034	380,000	5.000
2035	400,000	5.000
2036	420,000	5.000
2037	440,000	5.000
***	***	***
2042	2,540,000	4.500
***	***	***
2047	3,215,000	5.000

The Certificates shall bear interest on the unpaid principal amounts from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Certificates shall be payable on March 1 and September 1 in each year (each, an *Interest Payment Date*), commencing March 1, 2023, while the Certificates are Outstanding.

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

The selection and appointment of BOKF, NA, Dallas, Texas, to serve as the initial Paying Agent/Registrar for the Certificates (the *Paying Agent/Registrar*) is hereby approved and

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

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

Principal of, premium, if any, and interest on the Certificates, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the registered owner of the Certificates appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the County by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest thereon, (ii) on the date of surrender of the Certificates for purposes of receiving payment of principal thereof upon redemption of the Certificates or at the Certificates' Stated Maturity, and (iii) on any other date for any other purpose. The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Certificate for purposes of receiving payment and all other purposes whatsoever, and neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

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

If the date for the payment of the principal of, premium, if any, or interest on the Certificates shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day

which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Certificates was due.

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

SECTION 4. Redemption.

A. Mandatory Redemption of Term Certificates. The Certificates stated to mature on March 1, 2042 and March 1, 2047 are referred to herein as the “Term Certificates”. The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on March 1 in each of the years as set forth below:

<u>Term Certificates</u> <u>Stated to Mature</u> <u>on March 1, 2042</u>		<u>Term Certificates</u> <u>Stated to Mature</u> <u>on March 1, 2047</u>	
<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>
2038	465,000	2043	580,000
2039	485,000	2044	610,000
2040	505,000	2045	640,000
2041	530,000	2046	675,000
2042*	555,000	2047*	710,000

*Payable at Stated Maturity

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

B. Optional Redemption. The Certificates having Stated Maturities on and after March 1, 2033 shall be subject to redemption prior to Stated Maturity, at the option of the County,

on March 1, 2032 or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date of redemption.

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

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

E. Notice of Redemption. Not less than thirty (30) days prior to a redemption date for the Certificates, the Paying Agent/Registrar shall cause a notice of redemption shall be sent by United States mail, first-class postage prepaid, in the name of the County and at the County's expense, to each Holder of a Certificate to be redeemed, in whole or in part, at the address of the Holder appearing on the Security Register at the close of business on the business day next preceding the date of mailing such notice, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once in a financial publication, journal, or reporter of general circulation among securities dealers in the City of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*).

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

If a Certificate is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given or waived as herein provided, such Certificate (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Certificates (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice,

interest on the Certificates (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Certificates shall not be deemed to be Outstanding in accordance with the provisions of this Order.

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

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

No Certificate shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Certificate either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Certificate shall be conclusive evidence, and the only evidence, that such Certificate has been duly certified or registered and delivered.

SECTION 6. Registration - Transfer - Exchange of Certificates - Predecessor Certificates. A Security Register relating to the registration, payment, transfer, or exchange of the Certificates shall at all times be kept and maintained by the County at the corporate trust office of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every Holder of the Certificates, or, if appropriate, the nominee thereof. Any Certificate may, in accordance with its terms and the terms hereof, be transferred or exchanged for Certificates of other authorized denominations upon the Security Register by the Holder, in person or by its duly authorized agent, upon surrender of such Certificate to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Certificate at the corporate trust office of the Paying Agent/Registrar, the County shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Certificates of

authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Certificate or Certificates surrendered for transfer.

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

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

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

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

SECTION 7. Initial Certificate. The Certificates herein authorized shall be issued initially either (i) as a single fully-registered Certificate in the total principal amount of \$10,410,000 with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully-registered Certificate for each year of Stated Maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (the *Initial Certificate*) and, in either case, the Initial Certificate to the Purchasers shall be registered in the name of the Purchasers or the designee thereof. The Initial Certificate shall be the Certificate submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Certificate to the Purchasers, the Paying Agent/Registrar pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Certificate delivered hereunder and exchange therefor definitive Certificates of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates, on the unpaid principal amounts from the Closing Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, to Stated Maturity, and shall be lettered "R" and numbered consecutively from one (1) upward for

transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8. Forms.

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

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

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B. Form of Definitive Certificate.

REGISTERED
NO.

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date: Interest Rate: Stated Maturity: CUSIP No.:
July 1, 2022

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$10,410,000 (the *Certificates*) pursuant to an Order adopted by the governing body of

the County (the *Order*), for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Sections 271.041 through 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, Texas Local Government Code, as amended.

As specified in the Order, the Certificates stated to mature on March 1, 2042 and March 1, 2047 are referred to herein as the “Term Certificates”. The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on March 1 in each of the years as set forth below:

Term Certificates Stated to Mature <u>on March 1, 2042</u>		Term Certificates Stated to Mature <u>on March 1, 2047</u>	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
2038	465,000	2043	580,000
2039	485,000	2044	610,000
2040	505,000	2045	640,000
2041	530,000	2046	675,000
2042*	555,000	2047*	710,000

*Payable at Stated Maturity

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

As specified in the Order, the Certificates stated to mature on and after March 1, 2033 shall be subject to redemption prior to their Stated Maturities at the option of the County, on March 1, 2032 or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying

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

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the County or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

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

Reference is hereby made to the Order, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions under which the County may issue Prior Lien Bonds, Junior Lien Bonds, and Additional Parity Obligations; the terms and conditions relating to the transfer or exchange of the Certificates; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be redeemed or discharged at or prior to the Stated Maturity thereof, and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Order. Capitalized terms used herein have the same meanings assigned in the Order.

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

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

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

[The remainder of this page intentionally left blank.]

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

FANNIN COUNTY, TEXAS

By: _____
County Judge

COUNTERSIGNED:

REGISTERED:

County Clerk and Ex-Officio Clerk
of the Commissioners Court

County Auditor

(SEAL OF COMMISSIONERS COURT)

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

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

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

WITNESS my signature and seal of office this _____ .

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do Not Print on Definitive Certificates.

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

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date: BOKF, NA, DALLAS, TEXAS, as Paying
Agent/Registrar

_____ By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Certificates.

E. Form of Assignment.

ASSIGNMENT

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

(Social Security or other identifying number): _____
the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

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

Signature guaranteed:

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

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

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

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above stated to mature on the first day of March in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

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

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amounts hereof from the Certificate Date, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

[END OF FORMS]

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

[BOND INSURANCE]

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

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

(ii) obligations hereafter issued to refund any of the foregoing as determined by the Commissioners Court in accordance with any applicable law.

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

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

D. The term *Certificates* shall mean the \$10,410,000 “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022” authorized by this Order.

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

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

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

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

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

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

K. The term *Government Securities*, as used herein shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable

obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Certificates.

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

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

N. The term *Insurance Policy* shall mean the municipal bond guaranty insurance policy issued by the Insurer insuring the payment when due of the principal of and interest on the Certificates as provided therein.

O. The term *Insurer* shall mean Assured Guaranty Municipal Corp. or “AGM”, or any successor thereto or assignee thereof.

P. The term *Interest Payment Date* shall mean the date interest is payable on the Certificates, being March 1 and September 1 of each year, commencing March 1, 2023, while any of the Certificates remain outstanding.

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

R. The term *Library System* shall mean the County’s currently maintained law library, available to the public exclusively for legal research purposes, created pursuant to former Article 1702h, Vernon’s Texas Civil Statutes,(now codified as Chapter 323, Texas Local Government Code, as amended), in which revenues are derived from law library fees assessed against each civil case filed in the County courts-at-law and in the district courts, excluding tax suits.

S. The term *Maintenance and Operation Expenses* shall mean the expenses of operation and maintenance, including all salaries, labor, materials, repairs and extensions necessary to maintain and operate the Library System; provided, however, that only such repairs and extensions as in the judgment of the Commissioners Court, reasonably and fairly exercised,

are necessary to keep the Library System in operation and render adequate service to the County and the inhabitants thereof, or such as might be necessary to meet some physical action or condition which would otherwise impair the security of any bonds or other obligations payable from and secured, in whole or in part, by a lien on the Net Revenues derived from the ownership and operation of the Library System shall be deducted in determining Net Revenues.

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

U. The term *Obligations Similarly Secured* shall mean the Certificates and any Additional Parity Obligations hereafter issued by the County.

V. The term *Order* shall mean this order adopted by the Commissioners Court of the County on June 28, 2022.

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

- (1) those Certificates canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Certificates for which payment has been duly provided by the County in accordance with the provisions of Section 29 of this Order; and
- (3) those Certificates that have been mutilated, destroyed, lost, or stolen and replacement Certificates have been registered and delivered in lieu thereof as provided in Section 25 of this Order.

X. The term *Pledged Revenues* shall mean that portion of the Net Revenues securing the payment of the Certificates or any Additional Parity Obligations hereafter issued by the County. The amount of Pledged Revenues appropriated during any Fiscal Year and set aside in the annual budget for the payment of principal of or interest on each series of the Obligations Similarly Secured shall be determined within the sole discretion of the Commissioners Court; provided, however, that the holders of any Obligations Similarly Secured shall only be entitled to not more than \$1,000 of Net Revenues and upon payment by the County such lien shall be extinguished.

Y. The term *Prior Lien Bonds* shall mean (i) any revenue bonds, notes, or similar obligations of the County hereafter issued in one or more series or installments, pursuant to the provisions of Section 1473.002, as amended, Texas Government Code and Chapter 323, Texas Local Government Code, as amended, that are payable from and secured, in whole or in part, by a first and superior lien on and pledge of the Net Revenues, all as provided in Section 21 of this Order, and (ii) obligations hereafter issued to refund any of the foregoing that are payable from and equally and ratably secured by a first and superior lien on the Net Revenues as determined by the Commissioners Court in accordance with any applicable law.

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

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

SECTION 10. Certificate Fund; Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Certificates, there shall be and is hereby created a special Fund to be designated "COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022, INTEREST AND SINKING FUND" (the *Certificate Fund*), which Fund shall be kept and maintained at the County's Depository, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 27. Authorized Officials of the County are hereby authorized and directed to make withdrawals from the Certificate Fund sufficient to pay the purchase price or the amount of principal of, premium, if any, and interest on the Certificates as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Certificate Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Certificates, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the business day next preceding each interest and principal payment date for the Certificates.

Pending the transfer of funds to the Paying Agent/Registrar, money deposited in any fund or account established or described in this Order may, at the option of the County, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments in the Certificate Fund shall be made in such a manner that the money required to be expended from the Certificate Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund or account established or described pursuant to the provisions of this Order shall be credited to, and any losses debited to, such fund or account. All such investments shall be sold promptly when necessary to prevent any default in connection with the Certificates.

SECTION 11. Tax Levy. To provide for the payment of the Debt Service Requirements on the Certificates being (i) the interest on the Certificates and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon shall remain Outstanding, a sufficient tax, within the

limitations prescribed by law, on each one hundred dollars' valuation of taxable property in the County, adequate to pay such Debt Service Requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the Debt Service Requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Certificate Fund and are thereafter pledged to the payment of the Certificates. The Commissioners Court hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay such Debt Service Requirements, it having been determined that the existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness and other obligations of the County.

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

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

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

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

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

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

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

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

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

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

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

Fourth: to the payment of the amounts required to be deposited in the special funds and accounts created and established for the payment, security, and benefit of the Obligations Similarly Secured hereafter issued by the County in accordance with the terms and provisions of the orders authorizing their issuance.

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

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

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

SECTION 15. Security of Funds. All money on deposit in the Funds for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided

herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Order.

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

SECTION 17. Rates and Charges. The County hereby covenants and agrees with the Holders of the Certificates that rates and charges for civil case filings afforded by the Library System will be established and maintained to provide Gross Revenues sufficient at all times:

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

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

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

SECTION 18. Records and Accounts - Annual Audit. The County further covenants and agrees that so long as any of the Certificates remain Outstanding it will keep and maintain separate

and complete records and accounts pertaining to the operations of the Library System in which complete and correct entries shall be made of all transactions relating thereto, including receipts and disbursements of Pledged Revenues. The Holders of the Certificates or any duly authorized agent or agents of the Holders shall have the right to inspect the Library System and all properties comprising the same. The County further agrees that, following the close of each Fiscal Year, it will cause an audit of such books and accounts to be made by an independent firm of Certified Public Accountants. Expenses incurred in making the annual audit of the operations of the Library System are to be regarded as Maintenance and Operating Expenses.

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

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

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

A. it has the lawful power to pledge the Pledged Revenues supporting the Certificates and has lawfully exercised said powers under the laws of the State of Texas, including power existing under Section 1473.002, as amended, Texas Government Code, Chapter 323, Texas Local Government Code, as amended, and the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Sections 271.041 through Section 271.064; and

B. other than with respect to the Certificates, the Net Revenues of the Library System have not in any manner been pledged to the payment of any debt or obligation of the County or of the Library System.

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

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

Bonds, but have a lien on the Net Revenues superior to the lien securing the payment of the Certificates and the Additional Parity Obligations.

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

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

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

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

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

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but

such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

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

SECTION 25. Mutilated, Destroyed, Lost, and Stolen Certificates. If (i) any mutilated Certificate is surrendered to the Paying Agent/Registrar, or the County and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Certificate, and (ii) there is delivered to the County and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the County or the Paying Agent/Registrar that such Certificate has been acquired by a bona fide purchaser, the County shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Certificate, a new Certificate of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

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

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

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

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

SECTION 26. Sale of the Certificates – Official Statement Approval – Approval of Purchase Contract - Use of Certificate Proceeds. The Certificates authorized by this Order are hereby sold by the County to Robert W. Baird & Co. Incorporated, Houston, Texas, as the authorized representative of a group of purchasers at a negotiated sale (the *Purchasers*, having all

the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated June 28, 2022, attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes. The Initial Certificates shall be registered in the name of Robert W. Baird & Co. Incorporated. The pricing and terms of the sale of the Certificates are hereby found and determined to be the most advantageous reasonably obtainable by the County. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the County and as the act and deed of this Commissioners Court, and in regard to the approval and execution of the Purchase Contract, the Commissioners Court hereby finds, determines and declares that the representations, warranties, and agreements of the County contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the County. Delivery of the Certificates to the Purchasers shall occur as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Purchase Contract.

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

A. Accrued interest, if any, received from the Purchasers shall be deposited into the Certificate Fund.

B. The County received a reoffering premium from the sale of the Certificates of \$787,989.35 which is hereby allocated by the County in the following manner: (1) \$59,328.75 to pay the Purchasers' compensation, (2) \$116,886.59 shall be used to pay certain remaining costs of issuance of the Certificates, (3) \$590,000.00 shall be deposited into the special construction account in accordance with paragraph C below, and (4) \$21,774.01 shall be used to pay the insurance premium.

C. \$11,000,000.00 (representing \$10,410,000.00 of principal and \$590,000.00 of the reoffering premium) shall be deposited into the special construction account or accounts created for the projects to be acquired or constructed with the proceeds of the Certificates. This special construction account shall be established and maintained at the County's Depository and shall be invested in accordance with the provisions of Section 10 of this Order. Interest earned on the proceeds of the Certificates pending completion of construction of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 14 of this Order.

Furthermore, the County hereby ratifies, confirms, and approves in all respects (i) the County's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Purchase Contract, and Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Certificates. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale referenced in the Purchase Contract (together with such changes approved by any Authorized Official, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated June 28, 2022, in the reoffering, sale and delivery of the Certificates to the public. The County Judge and County Clerk are further

authorized and directed to manually execute and deliver for and on behalf of the County copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually executed by said officials shall be deemed to be approved by the Commissioners Court and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the County are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Certificates.

SECTION 27. Covenants to Maintain Tax-Exempt Status.

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

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

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

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

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

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

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

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

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

“*Yield*” of

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

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

B. Not to Cause Interest to Become Taxable. The County shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the County receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Certificate, the County shall comply with each of the specific covenants in this Section.

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

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

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

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

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

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the County shall not take or omit to take any action which would cause the Certificates to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

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

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

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

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

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

of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

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

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

J. Certificates Not Hedge Bonds.

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

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

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

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

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

to the Purchasers and, when requested in writing by the Purchasers, the initial exchange thereof for definitive Certificates.

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

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

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

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem defeased Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the County expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to

the owners of the defeased Certificates immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

SECTION 30. Printed Opinion. The Purchasers' obligation to accept delivery of the Certificates is subject to their being furnished a final opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Certificates, this opinion to be dated and delivered as of the date of initial delivery and payment for such Certificates. Printing of a true and correct copy of this opinion on the reverse side of each of the Certificates, with appropriate certificate pertaining thereto executed by facsimile signature of the County Clerk or Deputy County Clerk of the County is hereby approved and authorized.

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

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

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

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

intended to be and being for the sole and exclusive benefit of the County, Bond Counsel, Paying Agent/Registrar, the Purchasers, and the Holders.

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

SECTION 36. Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

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

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

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

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

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

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

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

SECTION 44. Book-Entry Only System. The Certificates shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Certificates shall be issued (following cancellation of the Initial Certificate described in Section 7) in the form of a separate single definitive Certificate. Upon issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Certificates shall be registered in the name of Cede & Co., as the nominee of DTC. The County and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit C (the *Representation Letter*).

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

In the event that (a) the County determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the County determines that it is in the best interest of the beneficial owners of the Certificates that they be able to obtain certificated Certificates, the County shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of the bond certificates, and the Certificates shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the County may determine that the Certificates shall be registered in the name of and deposited with a successor depository operating a securities depository system, as

may be acceptable to the County, or such depository's agent or designee, and if the County and the Paying Agent/Registrar do not select such alternate securities depository system then the Certificates may be registered in whatever name or names the Holders of Certificates transferring or exchanging the Certificates shall designate, in accordance with the provisions hereof.

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

SECTION 45. Continuing Disclosure Undertaking.

A. Definitions.

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

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

Financial Obligation means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

MSRB means the Municipal Securities Rulemaking Board.

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

SEC means the United States Securities and Exchange Commission.

Undertaking means the County's continuing disclosure undertaking, described in Paragraphs B through F below, hereunder accepted and entered into by the County for the purpose of compliance with the Rule.

B. Annual Reports.

The County shall file annually with the MSRB, (1) within six (6) months after the end of each fiscal year of the County ending in or after 2022, financial information and operating data with respect to the County of the general type included in the final Official Statement authorized by Section 26 of this Order, being the information described in Exhibit D hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the County, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit D hereto, or such other accounting principles as the County may be required to employ from time to time pursuant to state

law or regulation, and (ii) audited, if the County commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the County shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 103, as amended, Texas Local Government Code, the County must have its records and accounts audited annually and shall have an annual financial statement prepared based on the audit. The annual financial statement, including the auditor's opinion on the statement, shall be filed in the office of the County Clerk within one hundred eighty (180) days after the last day of the County's fiscal year. Additionally, upon the filing of this financial statement and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates;
- (7) Modifications to rights of Holders of the Certificates, if material;
- (8) Certificate calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Certificates, if material;
- (11) Rating changes;

(12) Bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below;

(13) The consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(15) Incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the County, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the County, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County, and (b) the County intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

D. Limitations, Disclaimers, and Amendments.

The County shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the County remains an “obligated person” with respect to the Certificates within the meaning of the Rule, except that the County in any event will give notice of any deposit that causes the Certificates to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Certificates, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The County undertakes to provide only the financial information, operating data, financial statements, and notices which

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

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

No default by the County in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

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

The provisions of this Section may be amended by the County from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Certificates consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Certificates. The County may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the County also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the County so amends the provisions of this Section, the County shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format – Incorporation by Reference.

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

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Certificates is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Certificates or the initial purchasers in a competitive sale of the Certificates may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the County hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the “Policies and Procedures”), attached hereto as Exhibit E, with which the County shall follow to assure compliance with the Undertaking. The County has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the County’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the County and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 46. Municipal Bond Insurance. The payment of the debt service requirements on the Certificates is insured by the Insurer pursuant to the Insurance Policy.

SECTION 47. Further Procedures. The officers and employees of the County are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the County all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the initial sale and delivery of the Certificates, the Paying Agent/Registrar Agreement, the Purchase Contract, and the Official Statement. In addition, prior to the initial delivery of the Certificates, the County Judge, County Clerk or Deputy County Clerk, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order and as described in the Official Statement necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the national

bond rating agencies, or (iii) obtain the approval of the Certificates by the Texas Attorney General's office. In case any officer of the County whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 48. Contracts with Financial Advisor. The Commissioners Court authorizes the County Judge to take all actions necessary to execute any necessary financial advisory contracts with SAMCO Capital Markets, Inc., as the financial advisor to the County (the *Financial Advisor*). The County understands that under applicable federal securities laws and regulations that the County must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Certificates.

SECTION 49. County's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the County hereby consents to and authorizes any Authorized Official, Bond Counsel to the County, and/or Financial Advisor to the County to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Certificates; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Certificates.

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

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PASSED AND ADOPTED on the 28th day of June, 2022.

FANNIN COUNTY, TEXAS



County Judge

ATTEST:



County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)



INDEX TO EXHIBITS

Exhibit A	Paying Agent/Registrar Agreement
Exhibit B	Purchase Contract
Exhibit C	DTC Letter of Representations
Exhibit D	Description of Financial Information and Operating Data
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EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. 3

EXHIBIT B

Purchase Contract

See Tab No. 8

EXHIBIT C

DTC Letter of Representations

See Tab No. 4

EXHIBIT D

Description of Financial Information and Operating Data

Information and Data with Respect to the County

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

The County's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the County appended to the Official Statement as Appendix D, but for the most recently concluded fiscal year.

The quantitative financial information and operating data of the County of the general type included in Appendix A (Tables 1-11 and 15-16) and in Appendix D.

Accounting Principles

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

EXHIBIT E

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 45 of the Order. “Certificates” refer to the Certificates that are the subject of the Order to which this Exhibit is attached.

II. As a capital markets participant, the County is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the “Effective Date”), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the County’s compliance with the Rule.

III. The County is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 45C of the Order, which provisions are a part of the Undertaking.

IV. The County is aware that “participating underwriters” (as such term is defined in the Rule) of the Certificates must make inquiry and reasonably believe that the County is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The County now establishes the following general policies and procedures (the “Policies and Procedures”) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the County’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the County’s obligations under the Rule, the advice from and discussions with the County’s internal senior staff (including staff charged with administering the County’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the “Compliance Team”):

1. the County Auditor of the County (the “Compliance Officer”) shall be responsible for satisfying the County’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the County’s information of the type described in Section 45B of the Order;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 45C of the Order;

4. the Compliance Officer shall work with external consultants of the County, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the County and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the County, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Certificates;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any County agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the County; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the County’s internal staff identified by the Compliance Officer to assist with the County’s satisfaction of the terms and provisions of the Undertaking.

REGISTERED
NO. R-1

REGISTERED
PRINCIPAL AMOUNT
\$100,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2023	307135GH0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: ONE HUNDRED THOUSAND AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$10,410,000 (the *Certificates*) pursuant to an Order adopted by the governing body of the County (the *Order*), for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects, under and in strict conformity with the laws of the State of Texas, particularly the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Sections 271.041 through 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, Texas Local Government Code, as amended.

As specified in the Order, the Certificates stated to mature on March 1, 2042 and March 1, 2047 are referred to herein as the “Term Certificates”. The Term Certificates are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Certificate Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on March 1 in each of the years as set forth below:

<u>Term Certificates Stated to Mature on March 1, 2042</u>		<u>Term Certificates Stated to Mature on March 1, 2047</u>	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
2038	465,000	2043	580,000
2039	485,000	2044	610,000
2040	505,000	2045	640,000
2041	530,000	2046	675,000
2042*	555,000	2047*	710,000

*Payable at Stated Maturity

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

As specified in the Order, the Certificates stated to mature on and after March 1, 2033 shall be subject to redemption prior to their Stated Maturities at the option of the County, on March 1,

2032 or on any date thereafter, as a whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, plus accrued interest to the date of redemption; provided, however, that at least thirty (30) days prior written notice shall be sent to the Holder of the Certificates to be redeemed by United States mail, first-class postage prepaid, and subject to the terms and provisions relating thereto contained in the Order. If this Certificate is subject to redemption prior to Stated Maturity and is in a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Holder hereof, upon the surrender of this Certificate to the Paying Agent/Registrar at its corporate trust office, a new Certificate or Certificates of like Stated Maturity and interest rate in any authorized denominations provided in the Order for the then unredeemed balance of the principal sum hereof.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if the money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Certificate is called for redemption, in whole or in part, the County or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Certificate within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

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

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

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

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

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

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

[The remainder of this page intentionally left blank.]

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

FANNIN COUNTY, TEXAS

By: _____
County Judge

COUNTERSIGNED:

REGISTERED:

County Clerk and Ex-Officio Clerk
of the Commissioners Court

County Treasurer

(SEAL OF COMMISSIONERS COURT)

COPY

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REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Registered this date:

BOKF, NA, DALLAS, Texas, as Paying Agent/Registrar

By:

Authorized Signature

ASSIGNMENT

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

(Social Security or other identifying number): _____

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

DATED: _____

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

Signature guaranteed:

STATEMENT OF INSURANCE

Assured Guaranty Municipal Corp. (“AGM”), New York, New York, has delivered its municipal bond insurance policy (the “Policy”) with respect to the scheduled payments due of principal of and interest on this Bond to BOKF, NA, Dallas, Texas, or its successor, as paying agent for the Bonds (the "Paying Agent"). Said Policy is on file and available for inspection at the principal office of the Paying Agent and a copy thereof may be obtained from AGM or the Paying Agent. All payments required to be made under the Policy shall be made in accordance with the provisions thereof. The owner of this Bond acknowledges and consents to the subrogation rights of AGM as more fully set forth in the Policy.

COPY

REGISTERED
NO. R-2

REGISTERED
PRINCIPAL AMOUNT
\$230,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2024	307135GJ6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED THIRTY THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-3

REGISTERED
PRINCIPAL AMOUNT
\$245,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2025	307135GK3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FORTY FIVE THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-4

REGISTERED
PRINCIPAL AMOUNT
\$255,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2026	307135GL1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED FIFTY FIVE THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-5

REGISTERED
PRINCIPAL AMOUNT
\$270,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2027	307135GM9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED SEVENTY THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-6

REGISTERED
PRINCIPAL AMOUNT
\$280,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2028	307135GN7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED EIGHTY THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-7

REGISTERED
PRINCIPAL AMOUNT
\$295,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2029	307135GP2

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO HUNDRED NINETY FIVE THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-8

REGISTERED
PRINCIPAL AMOUNT
\$310,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2030	307135GQ0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED TEN THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-9

REGISTERED
PRINCIPAL AMOUNT
\$325,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2031	307135GR8

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED TWENTY FIVE THOUSAND AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-10

REGISTERED
PRINCIPAL AMOUNT
\$345,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2032	307135GS6

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED FORTY FIVE THOUSAND AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-11

REGISTERED
PRINCIPAL AMOUNT
\$360,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2033	307135GT4

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED SIXTY THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-12

REGISTERED
PRINCIPAL AMOUNT
\$380,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2034	307135GU1

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE HUNDRED EIGHTY THOUSAND AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-13

REGISTERED
PRINCIPAL AMOUNT
\$400,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2035	307135GV9

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED THOUSAND AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-14

REGISTERED
PRINCIPAL AMOUNT
\$420,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2036	307135GW7

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED TWENTY THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-15

REGISTERED
PRINCIPAL AMOUNT
\$440,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2037	307135GX5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: FOUR HUNDRED FORTY THOUSAND AND NO/100
DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-16

REGISTERED
PRINCIPAL AMOUNT
\$2,540,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	4.500%	March 1, 2042	307135GY3

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: TWO MILLION FIVE HUNDRED FORTY THOUSAND AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

REGISTERED
NO. R-17

REGISTERED
PRINCIPAL AMOUNT
\$3,215,000

United States of America
State of Texas
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Certificate Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
July 1, 2022	5.000%	March 1, 2047	307135GZ0

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: THREE MILLION TWO HUNDRED FIFTEEN THOUSAND
AND NO/100 DOLLARS

Fannin County, Texas (the *County*), a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid Principal Amount hereof from the Certificate Date specified above, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until such Principal Amount has become due and payment thereof has been made or duly provided for, to the earlier of redemption or Stated Maturity, while Outstanding, at the per annum rate of interest specified above, computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on March 1 and September 1 of each year (each, an *Interest Payment Date*), commencing March 1, 2023.

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

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of June 28, 2022 (this *Agreement*) is between the Commissioners Court of Fannin County, Texas (the *Issuer*) and BOKF, NA, Dallas, Texas, a national banking association duly organized and existing under the laws of the United States of America and authorized to transact business in the State of Texas (the *Bank*).

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022” (the *Securities*), dated July 1, 2022 in the aggregate principal amount of \$10,410,000 to be issued as registered securities without coupons;

All things necessary to make the Securities the valid obligations of the Issuer, in accordance with their terms, will be taken upon the issuance and delivery thereof;

The Issuer is desirous that the Bank act as the Paying Agent of the Issuer in paying the principal, premium (if any) and interest on the Securities, in accordance with the terms thereof, and that the Bank act as Registrar for the Securities;

The Issuer has duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the Issuer, in accordance with its terms, have been done.

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01 Appointment.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Securities in order to pay, when due, the principal, premium (if any), and interest on all or any of the Securities to the Holders of the Securities, all in accordance with this Agreement and the Order (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities.

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

Section 1.02 Compensation.

As compensation for the Bank’s services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A hereto; provided, however,

notwithstanding anything herein or in Annex A to the contrary, the aggregate value of this Agreement shall not exceed the dollar limitation set forth in Section 2271.002(a)(2) of the Texas Government Code or Section 2274.002(a)(2) of the Texas Government Code. The Issuer covenants to provide notice to the Bank upon any change in the Issuer's Fiscal Year within ten (10) business days of the governing body of the Issuer's decision to change the Fiscal Year of the Issuer.

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

ARTICLE TWO DEFINITIONS

Section 2.01 Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires, the following terms, whenever the same appears herein without qualifying language, are defined to mean as follows:

Acceleration Date of any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated, to the extent permitted by law, pursuant to the terms of the Security.

Bank Office means the corporate trust office of the Bank set forth on the signature page of this agreement. The Bank will notify the Issuer, in writing, of any change in location of the Bank Office.

Fiscal Year means the fiscal year of the Issuer, which currently begins on October 1 and ends on September 30 of each year.

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

Issuer Request and *Issuer Order* each means a written request or order signed in the name of the Issuer by the County Judge, County Clerk, County Auditor, or County Treasurer of the Issuer and delivered to the Bank.

Legal Holiday means a day on which the Bank is required or authorized to be closed.

Order means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the County Clerk or any other officer of the Issuer, and delivered to the Bank.

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

Predecessor Securities of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purpose of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Order).

Record Date means the Record Date as defined in the Order.

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

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

Securities means the securities defined in the recital paragraphs herein.

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

Stated Maturity means the date specified in the Order as the fixed date on which the principal of a Security is scheduled to be due and payable.

Section 2.02 Other Definitions.

The terms “Bank”, “Issuer”, and “Securities” have the meanings assigned to them in the opening paragraph of this Agreement or in the recitals of the Issuer.

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

Section 2.03 Construction of Terms.

If appropriate in the context of this Agreement, words of the singular shall be considered to include the plural, words of the plural shall be considered to include the singular, and words of the masculine, feminine, or neuter gender shall be considered to include the other genders.

ARTICLE THREE
PAYING AGENT

Section 3.01 Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due. The Bank shall compute the amount of interest to be paid each Holder, and shall prepare and send a check in the amount by United States mail (first class postage prepaid) on or prior to each interest payment date, to the Holder of each Security (or Predecessor Securities) whose name appears in the Security Register on the Record Date. Such checks shall be mailed in such manner to such Holder at the address for each such Holder appearing on the Security Register, or shall be transmitted to such Holder on each interest payment date by such other method acceptable to the Bank, requested in writing by, and at the risk and expense of the Holder.

Section 3.02 Payment Dates.

The Issuer hereby instructs the Bank to pay the principal and interest on the Securities at the dates specified in the Order. The Issuer agrees to transfer or to cause to be transferred, in immediately available funds, to the Bank to pay principal and/or interest, either or both, by no later than 4:00 p.m. on the business day immediately preceding the payment dates.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of and interest on each Security when due, by computing the amount of interest to be paid each Holder, preparing the checks and mailing the checks on the payment date, to the Holders of the Securities on the Record Date, addressed to their address appearing on the Security Register.

ARTICLE FOUR
REGISTRAR

Section 4.01 Transfer and Exchange.

The Issuer shall keep at the Bank Office a register (the *Security Register*) in which, subject to such reasonable written regulations as the Issuer may prescribe (which regulations shall be furnished to the Bank herewith or subsequent hereto by Issuer Order), the Issuer shall provide for the registration of the Securities and for transfers of Securities. The Bank is hereby appointed Registrar for the purpose of registering Securities and transfers of Securities as herein provided. The Bank agrees to maintain the Security Register while it is Registrar.

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

As a condition to effecting a re-registration, transfer or exchange of the Securities, the Registrar may request any supporting documentation it feels necessary to effect a re-registration,

transfer or exchange of the Securities. To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof shall be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be canceled and exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02 Certificates.

The Issuer shall provide the Registrar with an adequate inventory of Securities certificates to facilitate transfers. The Bank covenants that it will maintain the Securities certificates in safekeeping and will use reasonable care in maintaining such Securities certificates in safekeeping, which shall not be less than the level of care it maintains for debt securities of other political subdivisions or corporations for which it serves as registrar, or which it maintains for its own securities.

Section 4.03 Form of Security Register.

The Bank as Registrar will maintain the records of the Security Register in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Register in any form other than those which the Bank has currently available and currently utilizes at the time.

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

Section 4.04 List of Security Holders.

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

The Bank will not release or disclose the content of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order, or as required by law. Upon receipt of a subpoena or court order the Bank will notify the Issuer so that the Issuer may contest the subpoena or court order, provided such subpoena, court order or lawful request does not prevent the Bank from providing such notice.

Section 4.05 Return of Canceled Securities.

The Bank will destroy all canceled Securities pursuant to the Securities Exchange Act of 1934.

Section 4.06 Mutilated, Destroyed, Lost or Stolen Securities Certificates.

The Issuer hereby instructs the Bank to deliver and issue Securities certificates in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities certificates as long as the same does not result in an over-issuance.

The Bank will issue and deliver a new Security certificate in exchange for a mutilated Security certificate surrendered to it. The Bank will issue a new Security certificate in lieu of a Security certificate for which it received written representation from the Holder that the certificate representing such Security is destroyed, lost, or stolen, without the surrender or production of the original certificate. The Bank will pay on behalf of the Issuer the unpaid principal and premium, if any, of a Security at the Stated Maturity or on the Redemption Date or Acceleration Date, for which it receives written representation that the certificate representing such Security is destroyed, lost, or stolen without the surrender or production of the original certificate.

The Bank will not issue a replacement Security certificate or pay such replacement Security certificate unless there is delivered to the Bank such security or indemnity as it may require (which may be by the Bank's Blanket Lost Original Instrument Bond or similar certifications that may be required by the Bank) to save both the Bank and the Issuer harmless.

On satisfaction of the Bank and the Issuer that a Security certificate has been mutilated, destroyed, lost or stolen, the certificate number on the mutilated, destroyed, lost or stolen Security certificate will be canceled with a notation that it has been mutilated, destroyed, lost or stolen and a new Security certificate will be issued of the same series and of like tenor and principal amount bearing a number (according to the Security Register) not contemporaneously outstanding.

The Bank may charge the Holder the Bank's fees and expenses in connection with issuing a new Security certificate in lieu of or exchange for a mutilated, destroyed, lost, or stolen Security certificate.

The Issuer hereby accepts the Bank's insurance policy, surety, or other form of security from time to time maintained thereby that secures lost, stolen, or destroyed certificates that the Bank may arrange; and agrees that the coverage under any such form of security is acceptable to it and meets the Issuer's requirements as to security or indemnity therefor. The Bank need not notify the Issuer of any changes in the security or other company giving such security or the terms of such form of security. At any time the Bank is customarily open for business, the applicable form of security then utilized for the purpose of lost, stolen, or destroyed certificates by the Bank shall be available for inspection by the Issuer on request. The Issuer hereby accepts the Bank's indemnity to replace the Security certificates destroyed or lost while in the possession or under the control of the Bank.

Section 4.07 Transaction Information to Issuer.

The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01 and Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01.

ARTICLE FIVE
THE BANK

Section 5.01 Duties of Bank.

The Bank undertakes to perform the duties set forth herein and in the Order and agrees to use reasonable care in the performance thereof.

The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the Issuer's financial advisor, bond counsel, or other agent. The Bank may act on a facsimile or email transmission of the closing memorandum acknowledged by the financial advisor, bond counsel, or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02 Reliance on Documents, Etc.

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

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

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

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

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

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

Section 5.03 Recitals of Issuer.

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

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

Section 5.04 May Hold Securities.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar or any other agent, provided that such dealings do not result in a breach of any duties or agreements imposed by this Agreement.

Section 5.05 Money Held by Bank.

A paying agent account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the Issuer hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

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

Any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has become due and payable will be held by the Bank and disposed of only in accordance with Title 6 of the Texas Property Code (Unclaimed Property).

The Bank will comply with the reporting provisions of Chapter 74 of the Texas Property Code with respect to property that is presumed abandoned under Chapter 72 or Chapter 75 of the Texas Property Code or inactive under Chapter 73 of the Texas Property Code.

Section 5.06 Indemnification.

The Issuer agrees, to the extent it legally may, to indemnify the Bank (including its directors, officers and employees) for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense (including its counsel fees) of defending itself against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement. The foregoing indemnities in this paragraph shall survive the resignation or substitution of the Bank or the termination of this Agreement.

Section 5.07 Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demands or controversy over its persons as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and County or Counties where either the Bank (Texas offices only) or the Issuer is located, waive personal service of any process, and agree that service of process by certified or registered mail, return receipt requested, shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming interest herein.

Section 5.08 Depository Trust Company.

It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for “Depository Trust Company” services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the “Operational Arrangements”, promulgated from time to time by The Depository Trust Company, which establishes requirements for securities to be eligible for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01 Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties hereof.

Section 6.02 Assignment.

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

Section 6.03 Notices.

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

Section 6.04 Effect of Headings.

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

Section 6.05 Successors and Assigns; Merger, Conversion, Consolidation or Succession.

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

Any corporation into which the Bank may be merged or converted or with which it may be consolidated, or any corporation resulting from any merger, conversion, or consolidation to which the Bank shall be a party, or any corporation succeeding to all or substantially all of the corporate trust business of the Bank shall be the successor of the Bank hereunder without the execution or filing of any paper or any further act on the part of either of the parties hereto. In case any Security shall have been registered, but not delivered, by the Bank then in office, any successor by merger, conversion, or consolidation to such authenticating Bank may adopt such registration and deliver the Security so registered with the same effect as if such successor Bank had itself registered such Security.

Section 6.06 Severability.

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

Section 6.07 Benefits of Agreement.

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

Section 6.08 Entire Agreement.

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

Section 6.09 Counterparts.

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

Section 6.10 Termination.

This Agreement will terminate on the date of final payment by the Bank issuing its checks for the final payment of principal of, and premium, if any, and interest on the Securities.

This Agreement may be earlier terminated upon 60 days written notice by either party; provided, however, that this Agreement may not be terminated (i) by the Bank until a successor Paying Agent/Registrar that is a national or state banking institution and a corporation or association organized and existing under the laws of the United States of America or of any state which possesses trust powers and is subject to supervision or examination by a federal or state

regulatory agency has been appointed by the Issuer and has accepted such appointment, or (ii) at any time during which such termination might, in the judgment of the Issuer, disrupt, delay, or otherwise adversely affect the payment of the principal, premium, if any, or interest on the Securities. Prior to terminating this Agreement, the Issuer may reasonably require the Bank to show that such termination will not occur during a period described in (ii) above.

The resigning Paying Agent/Registrar may petition any court of competent jurisdiction for the appointment of a successor Paying Agent/Registrar if an instrument of acceptance by a successor Paying Agent/Registrar has not been delivered to the resigning Paying Agent/Registrar within sixty (60) days after the giving of such notice of resignation.

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

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

Section 6.11 Contracts with Companies Engaged in Business with Iran, Sudan or Foreign Terrorist Organizations Prohibited (S.B. 252 85th Texas Legislature).

The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

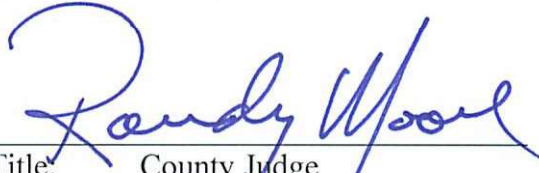
The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Texas or Federal law and excludes the Bank and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.12 Governing Law.


This Agreement shall be construed in accordance with and governed by the laws of the State of Texas and the United States of America.

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

FANNIN COUNTY, TEXAS

By: 
Title: County Judge
Address: 101 East Sam Rayburn Drive, Suite
303
Bonham, Texas 75418

BOKF, NA,
as Paying Agent/Registrar

By: 
Title: Trust Officer
Address: 5956 Sherry Lane, Suite 1201
Dallas, Texas 75225

Annex A

Paying Agent/Registrar Fee Schedule

\$11,000,000

Fannin County, Texas

Combination Tax and Limited Pledge Revenue,
Certificates of Obligation, Series 2022



PAYING AGENT/REGISTRAR

Schedule of Fees

Acceptance Fee

WAIVED

For review and coordination of documents and setup of accounts in preparation for closing.

Annual Administration Fee

\$400.00

For ordinary administration services by Paying Agent /Registrar – includes daily routine account management and processing in accordance with the agreement. Float credit received by the bank for receiving funds that remain uninvested are deemed part of the Paying Agent’s compensation. First year’s fee is due at closing and invoiced semi-annually thereafter at \$200.00 with debt service.

Call or Redemption of Bonds

At Cost

Cost includes distribution to holders of record, redemption processing and notification through DTC. Any and all publication expenses including Bond Buyer, Regional and Financial Periodicals for the call notice will be billed to the Issuer at cost.

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided. Counsel fees, if ever retained as a result of a default, or other extraordinary occurrences on behalf of the bondholders or Bank of Texas, will be billed at cost.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges. Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

Jose Gaytan, Senior Vice President

Texas Corporate Trust Business Development Officer

Phone: 512.813.2002

JGaytan@bankoftexas.com

Erin Fitzpatrick, Senior Vice President

National Corporate Trust Business Development

Phone: 972.892.9972

EFitzpatrick@bankoftexas.com



bokfinancial.com

To learn more about BOK Financial:



The Depository Trust Company

A subsidiary of the Depository Trust & Clearing Corporation

BLANKET ISSUER LETTER OF REPRESENTATIONS

(To be completed by Issuer and Co-Issuer(s), if applicable)

Fannin County, Texas

(Name of Issuer and Co-Issuer(s), if applicable)

April 11, 2017

(Date)

The Depository Trust Company

570 Washington Blvd, 4th FL

Jersey City, NJ 07310

Attention: Underwriting Department

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request to be made eligible for deposit by The Depository Trust Company ("DTC").

Issuer is: (**Note: Issuer shall represent one and cross out the other.**)

~~XXXXXXXXXX~~ [formed under the laws of] the State of Texas

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

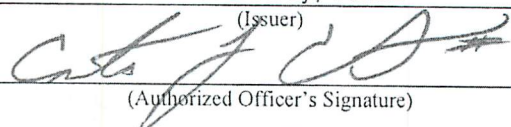
Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Very truly yours,

Fannin County, Texas

(Issuer)

By:


(Authorized Officer's Signature)

Creta L. Carter, III, County Judge

(Print Name)

101 E. Sam Rayburn Drive, Suite 101

(Street Address)

Bonham, Texas 75418

(City)

(State)

(Country)

(Zip Code)

903-583-7455

(Phone Number)

clcarter@fanninco.net

(E-mail Address)

DTCC

SAMPLE OFFERING DOCUMENT LANGUAGE
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

(Prepared by DTC--bracketed material may be applicable only to certain issues)

1. The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the securities (the "Securities"). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]

2. DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC's records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

SCHEDULE A

(To Blanket Issuer Letter of Representations)

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. [Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.]

[6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.]

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from Issuer or Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, Agent, or Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of Issuer or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

[9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to [Tender/Remarketing] Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to [Tender/Remarketing] Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to [Tender/Remarketing] Agent's DTC account.]

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to Issuer or Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that Issuer believes to be reliable, but Issuer takes no responsibility for the accuracy thereof.

Chairez, April

From: Amson, Jack D. <jamson@dtcc.com> on behalf of UW-MUNILOR/DTCC <UWMUNILOR@dtcc.com>
Sent: Thursday, April 20, 2017 8:57 AM
To: Chairez, April
Subject: RE: Fannin County, Texas General Obligation Bonds, Series 2017

The BLOR is in good form and has been accepted by DTC.

Kind Regards

Jack Amson

Operations Specialist
Global Operations & Client Services
DTCC, Redwither Tower, Redwither Business Park, Wrexham, LL13 9XT
+44 (0)1978 830 246 | jamson@dtcc.com
Underwriting Hotline (US) 866-724-4402
To learn more about DTCC's Underwriting services please click [here](#).

DTCC

Securing Today. Shaping Tomorrow.®

Visit us at www.dtcc.com or connect with us on [LinkedIn](#), [Twitter](#), [YouTube](#) and [Facebook](#).
To learn about career opportunities at DTCC, please visit dtcc.com/careers.

DTCC Confidential (Yellow)

From: Chairez, April [<mailto:april.chairez@nortonrosefulbright.com>]
Sent: Wednesday, April 19, 2017 11:06 PM
To: UW-MUNILOR/DTCC
Cc: Kuhn, Jeffrey; Binford, Clay; Lee, Matt
Subject: Fannin County, Texas General Obligation Bonds, Series 2017

Ladies and Gentlemen:

Attached is the DTC BLOR for Fannin County, Texas in connection with the captioned financing, which is scheduled to close on May, 16, 2017. Please let me know once this has been accepted.

Thank you very much,

April Chairez | Project Assistant
Norton Rose Fulbright US LLP
300 Convent Street, Suite 2100, San Antonio, Texas 78205-3792, United States
Tel +1 210 270 7231 | Fax +1 210 270 7205
april.chairez@nortonrosefulbright.com

NORTON ROSE FULBRIGHT

Law around the world
nortonrosefulbright.com

A powerful combination – Norton Rose Fulbright and Chadbourne & Parke will join forces in the second quarter of 2017.
nortonrosefulbright.com/chadbourne

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100



June 23, 2022

VIA EMAIL

Hon. Randy Moore, County Judge
Fannin County, Texas
101 E. Sam Rayburn Drive
Suite 101
Bonham, Texas 75418

Re: Not to exceed \$11,000,000 aggregate principal amount of Fannin County, Texas
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

Dear Hon. Moore:

Enclosed please find Assured Guaranty Municipal Corp.'s ("AGM") commitment letter (the "Commitment") in respect of the above-referenced issue (the "Bonds"). Please return one fully executed copy of the Commitment to me at the email address indicated below on or before the date of pricing the Bonds.

The email transmitting the Commitment includes a link to AGM's website, where the logo, statement of insurance, disclosure language, specimen policy and procedures for premium payment may be accessed and downloaded as needed. AGM will require an electronic copy of the final official statement prior to the closing date of the Bonds.

Upon acceptance and satisfaction of the conditions of the Commitment, the following must occur in order for AGM to complete its review of applicable disclosure and financing documents in advance of the closing date, request the assignment of an insured rating for the Bonds, and timely issue its insurance policy:

- The financing schedule and a distribution list should be forwarded to the attention of the Closing Coordinator listed below.
- A copy of (i) the preliminary official statement and the final official statement, each of which shall include to the extent applicable the disclosure provided by AGM and the specimen policy and any other references to AGM, and (ii) the Bonds, together with the legend to be affixed to such Bonds, must be delivered to the Closing Coordinator by email in order that AGM may confirm its accuracy.
- Once determined, the underwriters' final pricing numbers, including the final debt service schedule for the Bonds, should be delivered to the credit analyst and Closing Coordinator responsible for the transaction by email in order that AGM may confirm the premium to be paid for the insurance policy and request the assignment of an insured rating for the Bonds.
- A copy of either (i) the final pricing wire with CUSIP numbers shown or CUSIP wire evidencing the CUSIP numbers assigned to the Bonds; or (ii) the letter from the CUSIP Service Bureau listing the CUSIP numbers assigned to the Bonds should be delivered to the Closing Coordinator listed below by email in order that AGM may request the assignment of an insured rating for the Bonds.

Also, please notify me of a confirmed closing date as soon as it becomes available.

My contact information is as follows:

Telephone: (212) 339-3548
Email: AUDIT-ADLER@AGLTD.COM

Assured Guaranty Municipal Corp.

1633 Broadway
New York, NY 10019

main 1 212 974 0100
fax 1 212 581 3268

info@agltd.com

AssuredGuaranty.com

Hon. Randy Moore, County Judge
Fannin County, Texas
June 23, 2022
Page 2

AGM will deliver to Bond Counsel at the pre-closing, assuming the requirements of the Commitment have been met, an opinion of counsel as to the validity of the policy, a disclosure, no default and tax certificate and the executed policy. Prior to the closing, AGM will obtain rating letters from the rating agencies specified by the underwriter or purchaser of the Bonds. Note that any questions with regard to rating agency fees should be directed to the respective rating agency.

As a post-closing condition, AGM shall receive an electronic copy of the final closing transcript of proceedings.

AGM looks forward to working with you on this transaction.

Very truly yours,



Audrey Udit-Adler
Closing Coordinator

Enclosures

ec: Stephanie Leibe, Esq.; Norton Rose Fulbright US LLP
Mark Nitcholas; Robert W. Baird & Co., Inc.
Mark McLiney; SAMCO Capital Markets, Inc.



MUNICIPAL BOND INSURANCE COMMITMENT

ASSURED GUARANTY MUNICIPAL CORP. ("AGM") hereby commits to issue its Municipal Bond Insurance Policy (the "Policy") relating to whole maturities of the debt obligations described in Exhibit A attached hereto (the "Bonds"), subject to the terms and conditions set forth in this Municipal Bond Insurance Commitment, or added hereto (the "Commitment"). For the avoidance of doubt, each of the Exhibits attached hereto is an integrated part of this Commitment. To keep this Commitment in effect after the Expiration Date set forth in Exhibit A attached hereto, a request for renewal must be submitted to AGM prior to such Expiration Date. AGM reserves the right to refuse wholly or in part to grant a renewal.

THE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The disclosure document relating to the Bonds (the "Official Statement") shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.

2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof (the "Closing Date").

3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the Issuer or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), the Official Statement, the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AGM with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AGM.

4. The Bonds shall contain no reference to AGM, the Policy or the insurance evidenced thereby except as may be approved by AGM. BOND PROOFS SHALL HAVE BEEN APPROVED BY AGM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form provided by AGM.

5. The Official Statement shall contain the language provided by AGM and only such other references to AGM or otherwise as AGM shall supply or approve.

6. AGM shall be provided with:

(a) Executed copies of all financing documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure and the opinion of counsel to the underwriter, shall be addressed to AGM or accompanied by a letter of such counsel permitting AGM to rely on such opinion as if such opinion were addressed to AGM), including, without limitation, the approving opinion of bond counsel. Each of the foregoing shall be in form and substance acceptable to AGM. Copies of all drafts of such documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to AGM for review and approval. Final drafts of such documents shall be provided to AGM at least three (3) business days prior to the issuance of the Policy, unless AGM shall agree to some shorter period.

(b) Evidence of wire transfer in federal funds of an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AGM have been made prior to the delivery date of the Bonds. Payment of the insurance premium is a condition to release of the Policy by AGM.

(c) S&P Global and Moody's Investors Service Inc., if applicable, will separately present bills for their respective fees relating to the Bonds. Payment of such bills by or on behalf of the Issuer should be made directly to such rating agency. Payment of the rating fee is not a condition to release of the Policy by AGM.

7. Promptly after the closing of the Bonds, AGM shall receive an electronic copy of the final closing transcript of proceedings.

8. AGM hereby verifies that AGM does not boycott Israel and will not boycott Israel through the term of this Commitment. For purposes of this paragraph 8, (i) "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes; and (ii) "AGM" means AGM and any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of AGM.

9. AGM hereby verifies that as of the Closing Date, AGM (i) does not engage in business with Iran, Sudan or any foreign terrorist organization as described in Subchapter F of Chapter 2252 of the Texas Government Code, and (ii) is not a company listed by the Texas Comptroller under Sections 2270.021 or 2252.153 of the Texas Government Code. The term "foreign terrorist organization" as used in this paragraph 9 has the meaning assigned to such term in section 2252.151 of the Texas Government Code. For purposes of this paragraph 9, "AGM" means AGM and any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of AGM.

10. To the extent this Commitment constitutes a contract for goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 13, 87th Texas Legislature, Regular Session) as amended, AGM hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and, will not boycott energy companies during the term of this Commitment. The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "boycott energy companies" shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. AGM understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with AGM and exists to make a profit.

11. To the extent this Commitment constitutes a contract for the purchase of goods or services for which a written verification is required under Section 2274.002, Texas Government Code (as added by Senate Bill 19, 87th Texas Legislature, Regular Session, "SB 19"), as amended, AGM hereby verifies that it and its parent company, wholly- or majority- owned subsidiaries, and other affiliates, if any,

(1) do not have a practice, policy, guidance or directive that discriminates against a firearm entity or firearm trade association; and

(2) will not discriminate during the term of this Commitment against a firearm entity or firearm trade association.

The foregoing verification is made solely to comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code does not contravene applicable Texas or Federal law. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" (A) means, with respect to the entity or association, to (i) refuse to engage in the trade of any goods or services with the entity or association based solely on its status as a firearm entity or firearm trade association; (ii) refrain from continuing an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; or (iii) terminate an existing business relationship with the entity or association based solely on its status as a firearm entity or firearm trade association; and (B) does not include: (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories; and (ii) a company's refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship: (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency; or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity's or association's status as a firearm entity or firearm trade association. AGM understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with AGM and exists to make a profit.

**MUNICIPAL BOND INSURANCE COMMITMENT
TERM SHEET**

Issuer: Fannin County, Texas

Principal Amount of Bonds Insured: Not to exceed \$11,000,000

Name of Bonds Insured: Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

Date of Commitment: June 23, 2022 Expiration Date: Friday, August 26, 2022*

Premium: .12% of total debt service on the Bonds Insured

Bond Counsel Opinion -- Language Requirements:

The approving opinion of Bond Counsel shall be substantially identical, in form and substance, to that set forth in Appendix C of the draft Preliminary Official Statement submitted to AGM in connection with its credit review.

Additional Conditions: None

ASSURED GUARANTY MUNICIPAL CORP.



Authorized Officer

*To maintain the Commitment in effect until the Expiration Date, AGM must receive a duplicate of this Exhibit A executed by an authorized officer of the Issuer on or before the date of pricing the Bonds. This Commitment may be delivered by the exchange of executed signature pages by e-mail with a .pdf copy or other replicating image attached, and any printed or copied version of any signature page so delivered shall have the same force and effect as the originally signed version of such signature page.

The undersigned, an authorized officer of the Issuer, agrees that (i) if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by AGM in accordance with the terms of this Commitment; (ii) the Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AGM has not made, and therefore the Issuer is not relying on, any recommendation from AGM that the Issuer insure the Bonds or obtain the Policy; it being understood and agreed that communications from AGM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the Issuer acknowledges that AGM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning its future financial strength or the rating of AGM's financial strength by the rating agencies; (v) the Issuer acknowledges that the ratings of AGM reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AGM in its sole discretion; (vii) the Issuer

acknowledges that AGM undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Bonds; and (viii) the Issuer acknowledges that AGM pays rating agencies to rate AGM's financial strength, but that such payment is not in exchange for any specific rating or for a rating within any particular range. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.

FANNIN COUNTY, TEXAS

A handwritten signature in blue ink, appearing to read "Randy Moore", is written over a horizontal line. The signature is fluid and cursive.

Authorized Officer

**PROCEDURES FOR PREMIUM PAYMENT
TO
ASSURED GUARANTY MUNICIPAL CORP.
("AGM")**

AGM's issuance of its municipal bond insurance policy at bond closing is contingent upon payment and receipt of the premium. NO POLICY MAY BE RELEASED UNTIL PAYMENT OF SUCH AMOUNT HAS BEEN CONFIRMED. Set forth below are the procedures to be followed for confirming the amount of the premium to be paid and for paying such amount:

Confirmation of
Amount to be Paid: **Upon determination of the final debt service schedule, email such schedule to AGM**

Attention: Michael Curcio, Vice President
Phone No.: 212-893-2769
Email: MCurcio@agltd.com

Confirm with AGM's credit analyst that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Beneficiary Bank: BNYMellon, New York
ABA Number: 021 000 018
Address: One Wall Street, New York, NY 10286
Beneficiary: Assured Guaranty Municipal Corp.
Account Number: 8900297263
Transaction Number: 168490_C

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

The wire transfer number and the name of the sending bank shall be communicated on the closing date to Audrey Udit-Adler, Closing Coordinator, (212) 339-3548 AUdit-Adler@agltd.com.

This Preliminary Official Statement and the information contained herein are subject to completion or amendment without notice. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration, qualification or filing under the securities laws of any such jurisdiction.

NEW ISSUE BOOK-ENTRY-ONLY

Rating: S&P "Applied For" (Insured)
S&P: "Applied For" (Underlying)
(See "OTHER PERTINENT INFORMATION - Ratings", "BOND INSURANCE" and "BOND INSURANCE RISK Factors" herein)

PRELIMINARY OFFICIAL STATEMENT
Dated: June 14, 2022

In the opinion of Bond Counsel (named below), assuming continuing compliance by the County (defined below) after the date of initial delivery of the Certificates (defined below) to the Underwriters (defined below) with certain covenants contained in the Order (defined below) and subject to the matters set forth under "TAX MATTERS" herein, interest on the Certificates for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Certificates, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. See "TAX MATTERS".

The Issuer will **NOT** designate the Certificates as "Qualified Tax-Exempt Obligations" for financial institutions.

\$11,000,000*
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

Dated Date: July 1, 2022

Due: March 1, as shown on page ii

The \$11,000,000* Fannin County, Texas (the "County" or the "Issuer") Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Certificates") are being issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Local Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended and an order (the "Order") to be adopted by the Commissioners Court on June 28, 2022. (See "THE CERTIFICATES - Authority for Issuance" herein.)

The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"); such pledge being limited to \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. (See "THE CERTIFICATES - Security for Payment" herein.)

Interest on the Certificates will accrue from July 1, 2022 (the "Dated Date") as shown above and will be payable on March 1, 2023, and on each September 1 and March 1 thereafter, until the earlier of stated maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Certificates will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Certificates ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by BOKF, NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Proceeds from the sale of the Certificates will be for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto; (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) paying professional services relating to the design, construction, project management, and financing of the aforementioned projects. (See "THE CERTIFICATES - Use of Certificate Proceeds" herein.)

The Issuer reserves the right to redeem the Certificates maturing on and after March 1, 2033, on March 1, 2032, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. Additionally, the Underwriters may select certain consecutive maturities of the Certificates to be grouped together as a "Term Certificate" and such "Term Certificates" would be subject to mandatory sinking fund redemption. (See "THE CERTIFICATES - Redemption Provisions" herein.)

SEE THE FOLLOWING PAGE FOR STATED MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS, AND REDEMPTION PROVISIONS FOR THE CERTIFICATES

The Certificates are offered for delivery, when, as and if issued and received by the initial purchasers named below (the "Underwriters") and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel. (See Appendix C – Form of Legal Opinion of Bond Counsel and "OTHER PERTINENT INFORMATION – Legal Opinions and No-Litigation Certificate" herein). Certain matters will be passed upon for the Underwriters by their counsel, Cantu Harden LLP, San Antonio, Texas. It is expected that the Certificates will be available for delivery through DTC on or about July 27, 2022.

BAIRD **ESTRADA HINOJOSA**

**Preliminary; subject to change.*

\$11,000,000*
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

STATED MATURITY SCHEDULE*
(Due March 1)

Base CUSIP – 307135^(a)

Stated Maturity March 1	Principal Amount*	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix ^(a)
2024	\$200,000			
2025	295,000			
2026	310,000			
2027	320,000			
2028	335,000			
2029	345,000			
2030	360,000			
2031	375,000			
2032	390,000			
2033	405,000			
2034	420,000			
2035	435,000			
2036	455,000			
2037	475,000			
2038	490,000			
2039	510,000			
2040	530,000			
2041	550,000			
2042	575,000			
2043	595,000			
2044	620,000			
2045	645,000			
2046	670,000			
2047	695,000			

(Interest to accrue from the Dated Date)

The Issuer reserves the right to redeem the Certificates maturing on and after March 1, 2033, on March 1, 2032, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. Additionally, the Underwriters may select certain consecutive maturities of the Certificates to be grouped together as a "Term Certificate" and such "Term Certificates" would also be subject to mandatory sinking fund redemption. (See "THE CERTIFICATES – Redemption Provisions" herein.)

^(a)CUSIP numbers are included solely for the convenience of the owners of the Certificates. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems, Inc., on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. None of the County, the Financial Advisor, or the Underwriters is responsible for the selection or the correctness of the CUSIP numbers set forth herein.

^{*}Preliminary; subject to change.

FANNIN COUNTY, TEXAS
101 E. Sam Rayburn Drive, Suite 101
Bonham, Texas 75418
(903) 583-7455
(903) 583-7811 (Fax)

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Date First Elected</u>	<u>Term Expires</u>
Randy Moore	County Judge	01/01/19	12/31/22
Edwina Lane	Commissioner, Precinct 1	01/01/21	12/31/24
A.J. Self	Commissioner, Precinct 2	01/01/19	12/31/22
Jerry Magness	Commissioner, Precinct 3	01/01/13	12/31/24
Dean Lackey	Commissioner, Precinct 4	01/01/19	12/31/22

ADMINISTRATION

<u>Name</u>	<u>Position</u>	<u>Years With The County</u>
Alicia Whipple	County Auditor	5
Tammy Biggar	County Clerk	11
David E. Woodson	County Treasurer	7
Nancy Young	District Clerk	22
Gail Young	Tax Assessor Collector	11

CONSULTANTS AND ADVISORS

Bond Counsel	Norton Rose Fulbright US LLP Austin and San Antonio, Texas
Certified Public Accountants	Rutledge Crain & Company, PC Arlington, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

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 County Judge
Fannin County
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 Bonham, Texas 75418
 (903) 583-7455 (Phone)
countyjudge@fanninco.net

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USE OF INFORMATION IN THE OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission (the "Rule") as amended and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the Issuer with respect to the Certificates that has been "deemed final" by the Issuer as of its date except for the omission of no more than the information permitted by the Rule.

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information must not be relied upon.

Certain information set forth herein has been provided by sources other than the County that the County believes to be reliable, but the County makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the Issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

The Underwriters have provided the following statement for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The agreements of the County and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Certificates is to be construed as constituting an agreement with the Underwriters of the Certificates. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

None of the County, its Financial Advisor, or the Underwriters makes any representation or warranty with respect to the information contained in this Official Statement regarding either the Depository Trust Company or its book-entry-only system, as such information has been provided by DTC, or the Bond Insurer, if any, and its municipal bond insurance policy. THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page, subsequent pages hereof and appendices attached hereto, are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer	Fannin County, Texas (the “County” or “Issuer”) is a political subdivision of the State of Texas and operates under the statutes and the Constitution of the State of Texas. The 2020 census for the County was 35,662. The 2021 estimated population is 36,172. (See “Appendix B - General Information Regarding Fannin County and the City of Bonham, Texas” herein.)
The Certificates	The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and an order (the “Order”) to be adopted by the Commissioners Court on June 28, 2022. (See “THE CERTIFICATES - Authority for Issuance” herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas.
Security	The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the “Net Revenues”) derived from the operation of the County’s library system (the “System”); such pledge being limited to \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. (See “THE CERTIFICATES - Security for Payment” herein.)
Redemption Provisions of the Certificates	The Issuer reserves the right, at its sole option, to redeem the Certificates stated to mature on and after March 1, 2033, on March 1, 2032 or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest to the date fixed for redemption. Additionally, the Underwriters may select certain consecutive maturities of the Certificates to be grouped together as a “Term Certificate” and such “Term Certificates” would also be subject to mandatory sinking fund redemption. (See “THE CERTIFICATES - Redemption Provisions” herein.)
Tax Matters	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described herein under “TAX MATTERS” and will not be included in computing the alternative minimum taxable income of the owners thereof. (See “TAX MATTERS” for a discussion of the Opinion of Bond Counsel and “APPENDIX C - Form of Legal Opinion of Bond Counsel” herein.)
NOT Qualified Tax-Exempt Obligations	The Issuer will NOT designate the Certificates as “Qualified Tax-Exempt Obligations” for financial institutions. (See “TAX MATTERS” and, “APPENDIX C – Form of Legal Opinion of Bond Counsel” herein.)
Use of Certificate Proceeds	Proceeds from the sale of the Certificates will be used for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) paying professional services relating to the design, construction, project management, and financing of the aforementioned projects. (See “THE CERTIFICATES - Use of Certificate Proceeds” herein.)
Book-Entry-Only System	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Certificates will be made to the beneficial owners of the Certificates. Such Book-Entry-Only System may affect the method and timing of payments on the Certificates and the manner in which the Certificates may be transferred. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)
Bond Insurance	The County is considering qualifying the Certificates for municipal bond insurance and has made application to municipal bond insurance companies in connection with such consideration. (See “BOND INSURANCE” and “BOND INSURANCE GENERAL RISKS” herein.)
Ratings	A municipal bond rating application has been made to S&P Global Ratings, a division of S&P Global, Inc. (“S&P”). The outcome of the results will be made available to the Underwriters as soon as possible. (See “OTHER PERTINENT INFORMATION - Ratings” herein.)

Issuance of Additional Debt	The County does not anticipate the issuance of additional debt within the next twenty-four (24) months.
Payment Record	The County has never defaulted on the payment of its tax-supported indebtedness.
Delivery	When issued, anticipated on or about July 27, 2022.
Legality	Delivery of the Certificates is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel.

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PRELIMINARY OFFICIAL STATEMENT
relating to
\$11,000,000*
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by Fannin County, Texas (the "County" or the "Issuer") of its \$11,000,000* Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Certificates") identified on the cover page hereof.

The Issuer is a political subdivision of the State of Texas (the "State") and operates under the statutes and the Constitution of the State. The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and an order (the "Order") to be adopted by the Commissioners Court on June 28, 2022. (See "THE CERTIFICATES - Authority for Issuance" herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Order. Included in this Official Statement are descriptions of the Certificates and certain information about the Issuer and its finances. **ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT.** Copies of such documents may be obtained from the Issuer or the Financial Advisor noted on page iii hereof by email or upon payment of reasonable copying, handling, and delivery charges.

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in financial position or other affairs of the County. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the Official Statement pertaining to the Certificates will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the County's undertaking to provide certain information on a continuing basis.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the "State"). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation. Under executive orders in effect as of the date of this Official Statement, there are no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities.

Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the County. These negative impacts may reduce or otherwise negatively affect ad valorem tax revenues which are pledged as security for the Certificates. The County, however, cannot predict what effect the continued spread of COVID-19 will have on the finances or operations and maintenance of the County.

* Preliminary, subject to change.

In May, 2021, the County received \$3,449,089 of Coronavirus Relief Fund (CRF) funding provided under the Consolidated Appropriations Act of 2021 passed by the U.S. Congress on December 21, 2020 and in May, 2022 the County received an additional \$3,449,089 of CRF funding provided by the American Rescue Plan Act of 2021. Per Treasury Guidelines, entities receiving less than \$10,000,000 can use the money as deemed necessary by the Commissions' Court.

The County continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the County. While the potential impact of the Pandemic on the County cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the County's operations and financial condition, and the effect could be material.

THE CERTIFICATES

General Description of the Certificates

The Certificates will be dated July 1, 2022 (the "Dated Date"). The Certificates are stated to mature on March 1 in the years and in the principal amounts set forth on page ii hereof. The Certificates shall bear interest from their Dated Date on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will be payable on March 1, 2023, and on each September 1 and March 1 (each, an "Interest Payment Date") thereafter until the earlier of stated maturity or prior redemption. Principal is payable at the designated offices of the "Paying Agent/Registrar" for the Certificates, initially BOKF, NA, Dallas, Texas. Interest on the Certificates shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (as hereinafter defined) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to be closed, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Initially, the Certificates will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Certificates will be made to the Beneficial Owners. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts received to the appropriate DTC Participants, who shall in turn make payment to the Beneficial Owners of the Certificates. Such Book-Entry-Only System may change the method and timing of payment for the Certificates and the method of transfer. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such System.

Authority for Issuance

The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and the Order to be adopted by the Commissioners Court on June 28, 2022.

Security for Payment

The Certificates constitute direct obligations of the County payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"), such pledge being limited to \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County.

Use of Certificate Proceeds

Proceeds from the sale of the Certificates will be for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) paying professional services relating to the design, construction, project management, and financing of the aforementioned projects.

Sources and Uses

Sources	
Par Amount of the Certificates	\$ _____
Accrued Interest on the Certificates	_____
[Net] Reoffering Premium	_____
Total Sources of Funds	\$ _____
Uses	
Project Fund Deposit	\$ _____
Underwriters' Discount	_____
Certificate Fund Deposit	_____
Costs of Issuance	_____
Total Uses	\$ _____

Redemption Provisions of the Certificates

The Issuer reserves the right, at its option, to redeem the Certificates maturing on and after March 1, 2033 on March 1, 2032, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and, if within a stated maturity, selected at random and by lot by the Paying Agent/Registrar), at the redemption price of par plus accrued interest to the date fixed for redemption. Additionally, if two or more serial certificates of consecutive maturity are combined into one or more "term" certificates (the "Term Certificates") by the Underwriters, such Term Certificates will be subject to mandatory sinking fund redemption in accordance with the provisions of the Order.

Selection of Certificates for Redemption

The years of maturity of the Certificates called for redemption will be selected by the County. If less than all of the Certificates are redeemed within a stated maturity at any time, the Certificates to be redeemed will be selected by the Paying Agent/Registrar at random and by lot or other customary method in multiples of \$5,000 within any stated maturity.

Notice of Redemption

At least 30 days prior to the date fixed for any redemption of any Certificates or portions thereof prior to stated maturity, the Issuer shall cause notice of such redemption to be sent by United States mail, first-class postage prepaid, to the registered owner of each Certificate or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. 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 Certificates or portions thereof which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Certificates or portions thereof which 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.

ANY NOTICE OF REDEMPTION SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE CERTIFICATEHOLDERS FAILED TO RECEIVE SUCH NOTICE, AND, PROVIDED THAT PROVISION FOR PAYMENT OF THE REDEMPTION PRICE IS MADE AND ANY OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST ON THE REDEEMED CERTIFICATES SHALL CEASE TO ACCRUE FROM AND AFTER SUCH REDEMPTION DATE NOTWITHSTANDING THAT A CERTIFICATE HAS NOT BEEN PRESENTED FOR PAYMENT.

Certificates of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any integral multiple thereof). Any Certificate to be partially redeemed must be surrendered in exchange for one or more new Certificates of the same stated maturity and interest rate for the unredeemed portion of the principal. In the event of redemption of less than all of the Certificates of a particular stated maturity, the Paying Agent/Registrar is required to select the Certificates of such stated maturity to be redeemed by such random method as it deems fair and appropriate and which may provide for the selection for redemption of portions (equal to any authorized denomination) of the Certificates of a denomination larger than \$5,000.

The Paying Agent/Registrar and the Issuer, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption, notice of proposed amendment to the Order or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates by the Issuer will reduce the outstanding principal amount of such Certificates held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Certificates from the Beneficial Owners. Any such selection of Certificates to be redeemed will not be governed by the Order and will not be conducted by the Issuer or the Paying Agent/Registrar. Neither the Issuer or the Paying Agent/Registrar will have any responsibility to DTC participants, indirect

participants or the persons for whom DTC participants act as nominees, with respect to the payments on Certificates or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Certificates for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Payment Record

The County has never defaulted on the payment of its tax-supported indebtedness.

Legality

The Certificates are offered when, as and if issued, subject to the approval by the Attorney General of the State of Texas and the rendering of opinions as to certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas ("Bond Counsel"). The legal opinion of Bond Counsel will accompany the Certificates to be deposited with DTC or will be printed on the Certificates should the Book-Entry-Only System be discontinued. A form of the legal opinion of Bond Counsel appears in APPENDIX C attached hereto.

Defeasance

The Order provides for the defeasance of the Certificates when payment of the principal amount of the Certificates plus interest accrued on the Certificates to their due date (whether such due date be by reason of stated maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, or other authorized escrow agent, in trust (1) money in an amount sufficient to make such payment, and/or (2) Government Securities (defined below), to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates. The foregoing deposits shall be certified as to sufficiency by an independent accounting firm, the County's Financial Advisor, the Paying Agent/Registrar, or such other qualified financial institution (as provided in the Order). The County has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance. The Order provides that "Government Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Certificates. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) 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 of the purchase thereof, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that on the date the governing body of the County adopts or approves the proceedings authorizing the financial arrangements have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any additional securities and obligations hereafter authorized by State law as eligible for use to accomplish the discharge of obligations such as the Certificates. County officials are authorized to restrict such eligible securities as deemed appropriate. There is no assurance that the ratings for U.S. Treasury securities acquired to defease any Certificates, or those for any other Government Securities, will be maintained at any particular rating category. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of these securities identified in clauses (a) through (c) above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Certificates ("Defeasance Proceeds"), though the County has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. Because the Order does not contractually limit such permissible defeasance securities and expressly recognizes the ability of the County to use lawfully available Defeasance Proceeds to defease all or any portion of the Certificates, registered owners of Certificates are deemed to have consented to the use of Defeasance Proceeds to purchase such other defeasance securities, notwithstanding the fact that such defeasance securities may not be of the same investment quality as those currently identified under State law as permissible defeasance securities.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Certificates have been made as described above, all rights of the County to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, the County has the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption at an earlier date those Certificates which have been defeased to their maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption, (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Amendments

The Issuer may amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the Issuer may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates

then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the registered owners of all of the Certificates affected, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Certificate is due and payable, reduce the principal amount thereof, or the rate of interest thereon, change the place or places at or the coin or currency in which any Certificate or interest thereon is payable, change the redemption price or amount, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any amendment, addition, or waiver.

Default and Remedies

The Order does not specify events of default with respect to the Certificates. If the County defaults in the payment of principal, interest, or redemption price on the Certificates when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or Order and the County's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Certificateholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia* 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas Legislature has effectively waived the County's sovereign immunity from a suit for money damages, Certificateholders may not be able to bring such a suit against the County for breach of the Certificates or Order covenants. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9 and the pledge of a specific source of revenues, such as Net Revenues, is subject to judicial discretion. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or certificateholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court), and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and general principles of equity that permit the exercise of judicial discretion.

Initially, the only registered owner of the Certificates will be Cede & Co., as nominee of DTC. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the duties of DTC with regard to ownership of the Certificates.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas. In the Order, the Issuer retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the Issuer, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Certificates, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the Certificates by United States mail, first-class, postage prepaid.

The Certificates will be issued in fully registered form in multiples of \$5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. Interest will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity or prior redemption upon presentation to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Certificates, all payments will be made as described under "Book-Entry-Only System" herein. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are

authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Record Date

The record date ("Record Date") for determining the party to whom interest is payable on a Certificate on any Interest Payment Date means the fifteenth day of the month next preceding such Interest Payment Date.

In the event of a non-payment of interest on an Interest 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 (the "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 appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

In the event the Certificates are not in the Book-Entry-Only System, the Certificates will be printed and delivered to the registered owners thereof, and thereafter the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar in lieu of the Certificates being transferred or exchanged at the corporate trust office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered owner at the registered owner's request, risk, and expense. New Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Certificates to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Certificate or Certificates surrendered for exchange or transfer. (See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system initially to be utilized in regard to ownership and transferability of the Certificates.)

Limitation on Transferability

Neither the County nor the Paying Agent/Registrar shall 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 Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, that such limitation shall not apply to uncalled portions of a Certificate redeemed in part.

Replacement Certificates

The Issuer has agreed to replace mutilated, destroyed, lost, or stolen Certificates upon surrender of the mutilated Certificates to the Paying Agent/Registrar, or receipt of satisfactory evidence of authenticity of ownership thereof and of such destruction, loss, or theft, and receipt by the Issuer and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The Issuer may require payment of taxes, governmental charges, and other expenses in connection with any such replacement. The person requesting the authentication of and delivery of a replacement Certificate must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

BOND INSURANCE

The Issuer is considering qualifying the Certificates for municipal bond insurance and has made application to several bond insurance companies in connection with such consideration. No representation is hereby made that the Issuer will use municipal bond insurance in connection with the issuance of the Certificates. The final Official Statement shall disclose, to the extent necessary, any relevant information relating to the Policy.

BOND INSURANCE GENERAL RISKS

General

The County has applied for a Policy to guarantee the Certificates. The County has yet to determine whether any insurance will be purchased with the Certificates. If a Policy is purchased, the following are risk factors relating to the bond insurance.

In the event of default of the scheduled payment of principal of or interest on the Certificates when all or a portion thereof becomes due, any owner of the Certificates shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Certificates by the County which is recovered by the County from the Beneficial Owners as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the County (unless the Insurer chooses to pay such amounts at an earlier date). Payment of principal of and interest on the Certificates is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE CERTIFICATES - Default and Remedies"). The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the Beneficial Owners.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Certificates are payable from the ad valorem tax levied, within the limitations prescribed by law, on all taxable property located within the County as further described under "THE CERTIFICATES – Security for Payment". In the event the Insurer becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Certificates.

If a Policy is acquired, the enhanced long-term rating on the Certificates will be dependent on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the rating on the Certificates, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Certificates. (See the disclosure described in "OTHER PERTINENT INFORMATION – Ratings" herein.)

The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the County, the Underwriters, or the County's Financial Advisor have made an independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

Moody's Investor Services, Inc., S&P Global Ratings and Fitch Ratings, Inc. (the "Rating Agencies") have, in recent years, downgraded and/or placed on negative watch the claims-paying and financial strength of many providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. In addition, recent events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Certificates. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay principal and interest on the Certificates and the claims-paying ability of any such bond insurer, particularly over the life of the investment.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Financial Advisor, and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered Certificates registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry

transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual Underwriters of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to Issuer or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to the holder of such Certificates and will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" hereinabove.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County, the Financial Advisor, and the Underwriters believe to be reliable, but none of the County, the Financial Advisor, or the Underwriters take responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Certificates, the Issuer will have no obligation or responsibility to the DTC, Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the County, printed certificates representing the Certificates will be issued to the holders and the Certificates will be subject to transfer, exchange and registration provisions as set forth in the Order and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" herein.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER

The County invests its investable funds in investments authorized by State law and in accordance with investment policies approved and reviewed annually by the Commissioners Court of the County. Both State law and the County's investment policies are subject to change.

Legal Investments

Under State law and subject to certain limitations, the County is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized United States government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270-day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

The County may not, however, invest in (1) interest only obligations, or non-interest bearing principal obligations, stripped from mortgage-backed securities; (2) collateralized mortgage obligations that have a remaining term that exceeds 10 years; and (3) collateralized mortgage obligations that bear interest at an index rate that adjusts opposite to the changes in a market index. In addition, the County may not invest more than 15% of its monthly average fund balance (excluding bond proceeds and debt service funds and reserves) in mutual funds described in clause (13) above or make an investment in any mutual fund that exceeds 10% of the fund's total assets.

Except as stated above or inconsistent with its investment policy, the County may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the County is not required to liquidate the investment unless it no longer carries a required rating, in which case the County is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

Investment Policies

Under State law, the County is required to adopt and annually review written investment policies and must invest its funds in accordance with its policies. The policies must identify eligible investments and address investment diversification, yield, maturity, and the quality and capability of investment management. For investments whose eligibility is rating dependent, the policies must adopt procedures to monitor ratings and liquidate investments if and when required. The policies must require that all investment

transactions settle on a delivery versus payment basis. The County is required to adopt a written investment strategy for each fund group to achieve investment objectives in the following order of priority: (1) suitability, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

State law requires the County's investments be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." The County is required to perform an annual audit of the management controls on investments and compliance with its investment policies and provide regular training for its investment officers.

Current Investments

State law does not require the Issuer to periodically mark its investments to market price, and the Issuer does not do so, other than annually upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the Issuer's audited financial statements. Given the nature of its investments, the Issuer does not believe that the market value of its investments differs materially from book value.

As of May 4, 2022, the Issuer's investable funds were invested as shown below:

<u>Fund and Investment Type</u>	<u>Governmental Operating Fund</u>	<u>Percentage of Total Portfolio</u>
Money Market Funds	\$ 228,791.80	5.85%
TexPool/TexStar	3,679,307.44	94.02%
ICS (Instant Cash Sweep)	<u>5,291.33</u>	<u>0.14%</u>
		<u>100.00%</u>
Total Investments	<u>\$3,913,390.57</u>	

As of such date, the market value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

EMPLOYMENT BENEFITS

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768- 20343.

For more information see the 2021 Annual Financial Report, Note IV. C. on page 36.

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County is the responsibility of the Fannin Central Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment

ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – County and Taxpayer Remedies").

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport

Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Tax Increment Reinvestment Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the County, see "COUNTY APPLICATION OF THE PROPERTY TAX CODE" herein.

County and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the County, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at \$50 million for the 2020 tax year and \$50.6 million for the 2021 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The County is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the County. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the County may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

County's Rights in the Event of Tax Delinquencies

Taxes levied by the County are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the County, having power to tax the property. The County's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the County is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Public Hearing and Maintenance and Operations Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

"special taxing unit" means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the cumulative difference between a county's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the unused increment rate.

The County's tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

A county must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the county and the county tax assessor-collector. A county must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before

the next occurring November uniform election date. If a county fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the county for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county's adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County's tax-supported debt obligations, including the Certificates. See "AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitations" for a description of the debt service tax rate limitations applicable to the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitations

Article VIII, Section 9 of the Texas Constitution imposes a limit of \$0.80 per \$100 assessed valuation for all purposes of a county's General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service on bonds or other debt issued against such funds. Administratively, the Attorney General of Texas will not approve limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from \$0.40 of the foregoing \$0.80 maximum tax rate, as calculated at the time of issuance.

Article III, Section 52 of the Texas Constitution authorizes the County to levy a direct, continuing ad valorem tax on all taxable property within the County, without limit as to rate or amount to pay the principal of and interest on the County's road bonds if approved by the voters in the County. The principal amount of unlimited tax road bonds issued by the County and outstanding at any point in time, aggregated with outstanding unlimited tax debt of certain road districts located within the County cannot exceed 25% of the assessed valuation of all real property located in the County.

Article VIII, Section 9 of the Texas Constitution and State statute authorize the County to levy a special Road and Bridge Fund Tax (the "Road and Bridge Maintenance Tax") in an amount not to exceed \$0.15 per \$100 assessed valuation, no part of which may be used for debt service, if approved by the voters.

Article VIII, Section 1-a of the Texas Constitution and State statute permit the County to levy a tax for Farm-to-Market Road and Flood Control purposes (the "Farm-to-Market Road and Flood Control Tax") in an amount not to exceed \$0.30 per \$100 assessed valuation after the mandatory \$3,000 homestead exemption, if approved by the voters. There is no allocation prescribed by statutes between debt service and maintenance.

Section 1301.003, Texas Government Code, as amended, limits the amount of limited tax obligations of counties issue pursuant to such authority for those certain purposes as follows:

Courthouse	2% of Taxable Assessed Valuation
Jail	1 1/2% of Taxable Assessed Valuation
Courthouse and Jail	3 1/2% of Taxable Assessed Valuation
Bridge	1 1/2% of Taxable Assessed Valuation

However, courthouse, jail, and certain other types of bonds may be issued under the authority of Section 1431.101, Texas Government Code, as amended, which removes the above limitations.

COUNTY APPLICATION OF THE PROPERTY TAX CODE

The County does not grant a local exemption of \$25,000 to the market value of the residence homestead of persons 65 years of age or older and \$3,000 for the disabled.

The County does not grant an additional exemption of up to 20% of the market value of residence homesteads (minimum exemption of \$5,000).

The County does not tax nonbusiness personal property.

The County does not permit split payment of taxes or discounts.

The County does not grant an exemption for goods-in-transit.

The County does not grant the freeport exemption under Article VIII, Section 1-j.

The County does participate in the Tax Increment Reinvestment Zones.

The County has entered into a tax abatement agreement with Whitewright Solar, LLC on April 26, 2016. The abatement is for a 10-year period.

TAX MATTERS

Tax Exemption

The delivery of the Certificates is subject to the opinion of Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel, to the effect that interest on the Certificates for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), of the owners thereof pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statute, regulations, rulings, and court decisions on which such opinion is based are subject to change. A form of Bond Counsel's opinion appears in Appendix C hereto.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the County made in a certificate dated the date of delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the County with the provisions of the Order subsequent to the issuance of the Certificates. The Order contains covenants by the County with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested if required, the calculation and payment to the United States Treasury of any arbitrage "profits", and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Certificates to be includable in the gross income of the owners thereof from the date of the issuance of the Certificates.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the County as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the County may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Tax Changes

Existing law may change to reduce or eliminate the benefit to Registered Owners of the exclusion of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Ancillary Tax Consequences

Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions (see "Qualified Tax-Exempt Obligations" herein), property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust (FASIT), individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Tax Accounting Treatment of Discount Certificates

The initial public offering price to be paid for certain Certificates may be less than the amount payable on such Certificates at maturity (the "Discount Certificates"). An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificates. A portion of such original issue discount, allocable to the holding period of a Discount Certificate by the initial purchaser, will be treated as interest for federal income tax purposes, excludable from gross income on the same terms and conditions as those for other interest on the Certificates. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such accrued interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions (see "Qualified Tax-Exempt Obligations" herein), property and casualty insurance companies, life insurance companies, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

In the event of the redemption, sale or other taxable disposition of a Discount Certificate by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Certificates and with respect to the state and local tax consequences of owning Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on the Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Tax Accounting Treatment of Premium Certificates

The initial public offering price to be paid for certain Certificates may be greater than the stated redemption price on such Certificates at maturity (the "Premium Certificates"). An amount equal to the difference between the initial public offering price of a Premium Certificate (assuming that a substantial amount of the Premium Certificates of that maturity are sold to the public at such price) and its stated redemption price at maturity constitutes premium to the initial purchasers of such Premium Certificates. The basis for federal income tax purposes of a Premium Certificate in the hands of such initial purchasers must be reduced each year by the amortizable Certificate premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable Certificate premium with respect to the Premium Certificates. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium which is amortizable each year by an initial purchaser is determined by using such purchaser's yield to maturity.

Purchasers of Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable Certificate premium on Premium Certificates for federal income tax purposes and with respect to the State and local tax consequences of owning and disposing of Premium Certificates.

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the County has made the following agreement for the benefit of the holders and Beneficial Owners of the Certificates. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the County will be obligated to annually provide certain updated financial information and operating data that is included in this Official Statement, that is customarily prepared by the County and that is publicly available, as well as timely notice of specified events to the Municipal Securities Rulemaking Board (the "MSRB"). The information provided to the MSRB will be available to the public free of charge via the EMMA system through an internet website accessible at www.emma.msrb.org.

Annual Reports

The Issuer will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Issuer of the general type included in this official statement in Appendix A (tables 1-11 and 15-16) and in Appendix D. The Issuer will update and provide this information within six months after the end of each fiscal year ending in and after 2022.

The Issuer may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements for the Issuer, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not provided by that time, the Issuer will provide unaudited financial statements for the applicable fiscal year to the MSRB with the financial information and operating data and will file the annual audit report when and if the same becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Issuer's annual financial statements or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

The Issuer's current fiscal year end is September 30. Accordingly, it must provide updated information by the end of March in each year, unless the Issuer changes its fiscal year. If the Issuer changes its fiscal year, it will notify the MSRB of the change.

All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided as set forth above may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

Notice of Certain Events

The County will also provide timely notices of certain events to the MSRB. The County will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten Business Days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the County, any of which reflect financial difficulties. Neither the Certificates nor the Order make any provision for debt service reserves, liquidity enhancement, or credit enhancement. In the Order, the County will adopt policies and procedures to ensure timely compliance of its continuing disclosure obligations. In addition, the County will provide timely notice of any failure by the County to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, (a) any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County and (b) the County intends the words used in the immediately preceding clauses (15) and (16) to have the meanings as when they are used in the Rule, as ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

Availability of Information from MSRB

The Issuer has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Issuer has agreed to update information and to provide notices of specified events only as described above. The Issuer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Certificates may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its agreement 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 Issuer, if the agreement, as amended, would have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Certificates consent or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Certificates. The Issuer may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

Except as otherwise described below, during the past five years, the County has complied in all material respects with its previous continuing disclosure agreements made in accordance with the Rule.

The County and the Fannin County Public Facility Corporation (the "Corporation") committed to file on an annual basis certain updated quantitative financial information and operating data of the Corporation of the general type included in the Corporation's final official statement (the "Undertaking"), dated July 21, 2014 (the "Corporation's 2014 Official Statement") pertaining to Corporation's issuance of its Senior Lien Revenue Refunding Bonds, Taxable Series 2014 (Detention Facility Project), dated August 1, 2014 (the "Corporation's 2014 Bonds") (for a further description of the Corporation and the debt service requirements of the Corporation's 2014 Bonds, see "APPENDIX A – Table 17" herein). Such information must be filed within six months of the Corporation's fiscal year end and includes the Corporation's audited financial statements (the "Corporation's Audit") and Tables 1 through 6 included in Appendix B to the Corporation's 2014 Official Statement (the "Tables").

The County committed to the Undertaking in Section 14.3 of the Amended and Restated Sublease Agreement between the County and the Corporation, dated August 1, 2014 (the "Sublease") and the County and the Corporation committed to the Undertaking in Section 14.01.(b) of the Trust Indenture between the Corporation and U.S. Bank National Association (the "Trustee"), dated August 1, 2014 (the "Indenture"). Further, the County entered into a Continuing Disclosure Undertaking agreement with U.S. Bank National Association (the "Dissemination Agent") dated August 1, 2014 (the "Disclosure Agreement"), pursuant to which the Dissemination Agent agreed to perform the duties and undertaking of the County as set forth in the Sublease, the Indenture, and the Disclosure Agreement, including the Undertaking.

The Corporation's Audit has been timely filed with EMMA for each of the fiscal years ended 2014 through 2019, in accordance with the Disclosure Agreement and the Undertaking. The source of the information in these Tables was provided by the operator of the detention facility which, at the time of the posting of the Corporation's 2014 Official Statement, was Community Education Centers, Inc. The operations of the detention facility has since changed to GEO Group, Inc., and, as of September 1, 2018, to LaSalle Corrections, LLC (the "Operator") (see "APPENDIX A – Table 17" herein). However, due to an administrative oversight, the County failed to provide the Tables to the Dissemination Agent for filing with EMMA, in accordance with the Disclosure Agreement and the Undertaking. The appropriate Tables and notice of failure to timely file have been filed with EMMA on February 2, 2020.

Additionally, on September 13, 2016, S&P Global Ratings ("S&P") lowered its long-term rating on the Corporation's 2014 Bonds to "BB" from "BBB" and kept the rating on credit watch, where it was placed with negative implications on June 3, 2016. On April 2, 2019, S&P Global Ratings withdrew its rating on the Corporation's 2014 Bonds, along with several other entities with revenue bonds secured primarily by federal contract revenues. Due to an administrative oversight, the County failed to provide notice of these ratings changes to the Dissemination Agent for filing with EMMA, in accordance with the Disclosure Agreement and the Undertaking. Notice of these rating actions and failure to timely file have been filed with EMMA on February 7, 2020.

The Corporation, the County, and the Dissemination Agent have implemented appropriate measures to ensure future compliance with the Undertaking.

OTHER PERTINENT INFORMATION

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Registration and Qualification of Certificates for Sale

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The Issuer assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It is the obligation of the Underwriters to register or qualify the sale of the Certificates under the securities laws of any jurisdiction which so requires. The County agrees to cooperate, at the Underwriters' written request and sole expense, in registering or qualifying the Certificates or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the County shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

Litigation

The County is a defendant on various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

At the time of the initial delivery of the Certificates, the County will provide the Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Certificates or that affects the payment and security of the Certificates or in any other manner questioning the issuance, sale, or delivery of the Certificates.

Future Debt Issuance

The County does not anticipate the issuance of additional debt over the next twenty-four (24) months.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are real and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Certificates be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION - Ratings" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivision, and are legal security for those deposits to the extent of their fair market value. No review by the County has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Certificates for such purposes.

Additionally, with respect to the Certificates, Section 271.051 of the Texas Local Government Code expressly provides that certificates of obligation approved by the Attorney General of Texas are legal authorized investments for banks, savings banks, trust companies, and savings and loan associations, insurance companies, fiduciaries, trustees, and guardians, and sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of the State. The Certificates are eligible

to secure deposits of any public funds of the State, municipalities, school and other political subdivisions of the State, and are legal security for those deposits to the extent of the market value.

Legal Opinions and No-Litigation Certificate

The Issuer will furnish the Underwriters with a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Certificates are valid and legally binding obligations of the Issuer, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Certificates are valid and legally binding obligations of the Issuer and, subject to the qualifications set forth herein under "TAX MATTERS," the interest on the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the date thereof. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates will also be furnished. In its capacity as Bond Counsel, Norton Rose Fulbright US LLP, Austin and San Antonio, Texas has reviewed the information under the captions "THE CERTIFICATES" (except for the information contained in the subcaptions "Sources and Uses", "Payment Record" and "Default and Remedies", as to which no opinion is expressed), "TAX MATTERS", "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "Compliance with Prior Agreements", as to which no opinion is expressed), "OTHER PERTINENT INFORMATION—Registration and Qualification of Certificates For Sale", "OTHER PERTINENT INFORMATION—Legal Investments and Eligibility to Secure Public Funds in Texas", and "OTHER PERTINENT INFORMATION—Legal Opinions and No-Litigation Certificate" in the Official Statement and such firm is of the opinion that the information relating to the Certificates and the Order contained under such captions is a fair and accurate summary of the information purported to be shown and that the information and descriptions contained under such captions relating to the provisions of applicable state and federal laws are correct as to matters of law. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Order. Such firm has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the Issuer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. The legal opinion of Bond Counsel will accompany the Certificates deposited with DTC or will be printed on the definitive Certificates in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by their counsel, Cantu Harden LLP, San Antonio, Texas. The legal fees of Underwriters' counsel are contingent on the delivery of the Certificates.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Ratings

A municipal bond rating application for the Certificates has been made to S&P Global Ratings, a division of S&P Global, Inc. ("S&P"). The outcome of the result will be made available as soon as possible. An explanation of the significance of such rating may be obtained from S&P. The rating of the Certificates by S&P reflects only the view of S&P at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that the rating will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by S&P, if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the Issuer in connection with the issuance of the Certificates. In this capacity, the Financial Advisor has compiled certain data relating to the Certificates and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Issuer to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and delivery of the Certificates.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the County at a price of \$_____ (representing the par amount of the Certificates of \$_____, plus a [net] reoffering premium of \$_____, and less an Underwriters' discount of \$_____), and accrued interest on the Certificates in the amount of \$_____.

The Underwriters' obligation is subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Certificates, if any of the Certificates are purchased. The Certificates may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Certificates into investment trusts) and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the County and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. The County's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents and Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Order authorizing the issuance of the Certificates will approve the form and content of this Official Statement and any addenda, supplement or amendment thereto and will authorize its further use in the reoffering of the Certificates by the Underwriters.

This Official Statement will be approved by the Commissioners Court of the Issuer for distribution in accordance with the provisions of the SEC's rule codified at 17 C.F.R Section 240.15c2-12, as amended.

FANNIN COUNTY, TEXAS

ATTEST:

/s/ _____
County Judge
Fannin County, Texas

/s/ _____
County Clerk
Fannin County, Texas

APPENDIX A

FINANCIAL INFORMATION OF THE ISSUER

(This appendix contains quantitative financial information and operating data with respect to the Issuer. The information is only a partial representation and does not purport to be complete. For further and more complete information, reference should be made to the original documents, which can be obtained from various sources, as noted.)

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FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION

TABLE 1

2021 Actual Market Value of Taxable Property (100% of Actual)		\$ 5,992,858,664
Less Exemptions:		
Over-65 and/or Disabled	\$ 32,606,176	
Veterans Exemptions	47,970,970	
Pollution Exemption	7,795,370	
Abatements	66,829,760	
Freeport	7,338,563	
Productivity Value Loss	1,872,126,805	
10% Homestead Cap Loss	60,444,362	
Totally Exempt Property	1,051,737,448	3,146,849,454
2021 Certified Net Taxable Assessed Valuation		\$ 2,846,009,210
Less Adjustments:		
Freeze Taxable		500,117,837
Transfer Adjustment		-
2021 Freeze Adjusted Net Taxable Assessed Valuation		\$ 2,345,891,373

Source: Fannin Central Appraisal District

GENERAL OBLIGATION BONDED DEBT

TABLE 2

General Obligation Debt Principal Outstanding: (As of April 1, 2022)		
General Obligation Bonds, Series 2017	\$ 5,400,000	
General Obligation Bonds, Series 2018	\$ 6,010,000	
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	9,595,000	
Total General Obligation Debt Principal Outstanding:		\$ 21,005,000
Current Issue General Obligation Debt Principal		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Certificates")	\$ 11,000,000	*
Total General Obligation Debt Principal Outstanding Following Issuance of the Certificates:		\$ 32,005,000 *
General Obligation Interest and Sinking Fund Balance as September 30, 2021.		\$ 237,448
Ratio of General Obligation Debt Principal to 2021 Adjusted Net Taxable Assessed Valuation		1.36%
2021 Freeze Adjusted Net Taxable Assessed Valuation ^(a)		\$ 2,345,891,373
Population: 2000 - 31,242; 2010 -33,915; 2020 - 35,662 Current Estimate - 36,172		36,172
Per Capita 2021 Freeze Adjusted Net Taxable Assessed Valuation -		\$64,854
Per Capita General Obligation Debt Principal -		\$885

^(a) See "AD VALOREM PROPERTY TAXATION" and "COUNTY APPLICATION OF THE PROPERTY TAX CODE" in the body of the Official Statement for a description of the Issuer's taxation procedures.

* Preliminary; subject to change.

Sources: Texas Municipal Reports, U.S. Census, and information received from the Issuer.

OTHER OBLIGATIONS

TABLE 3

Capital Leases Currently Outstanding:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date Made</u>	<u>Date Due</u>	<u>Interest Rate</u>	<u>Periodic Payment</u>	<u>Balance</u>
Voting Equipment	\$ 357,169	3/10/2021	3/10/2025	2.99%	\$96,088	\$357,169
Capital leases payable						\$357,169

Non-Capital Leases Payable:

- None -

Source: The County's Annual Financial Report for Fiscal Year Ended September 30, 2021.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

TABLE 4

Fiscal Year <u>30-Sep</u>	Currently Outstanding Debt Service	The Certificates*			Combined Debt Service*
		Principal	Interest	Total	
2022	\$ 1,264,188	\$ -	\$ -	\$ -	\$ 1,264,188
2023	1,306,388	-	497,292	497,292	1,803,679
2024	1,306,988	200,000	422,375	622,375	1,929,363
2025	1,296,863	295,000	412,784	707,784	2,004,647
2026	1,301,013	310,000	401,063	711,063	2,012,075
2027	1,303,988	320,000	388,856	708,856	2,012,844
2028	1,302,238	335,000	376,166	711,166	2,013,403
2029	1,305,688	345,000	362,991	707,991	2,013,678
2030	1,305,138	360,000	349,331	709,331	2,014,469
2031	1,300,688	375,000	335,091	710,091	2,010,778
2032	1,300,663	390,000	320,269	710,269	2,010,931
2033	1,304,813	405,000	304,866	709,866	2,014,678
2034	1,297,844	420,000	288,881	708,881	2,006,725
2035	1,301,069	435,000	272,316	707,316	2,008,384
2036	1,303,050	455,000	255,072	710,072	2,013,122
2037	1,298,825	475,000	237,053	712,053	2,010,878
2038	1,303,381	490,000	218,356	708,356	2,011,738
2039	1,301,663	510,000	198,981	708,981	2,010,644
2040	1,298,738	530,000	178,831	708,831	2,007,569
2041	1,302,888	550,000	157,906	707,906	2,010,794
2042	1,295,863	575,000	136,109	711,109	2,006,972
2043	934,169	595,000	113,441	708,441	1,642,609
2044	932,894	620,000	89,900	709,900	1,642,794
2045	525,850	645,000	65,391	710,391	1,236,241
2046	-	670,000	39,913	709,913	709,913
2047	-	695,000	13,466	708,466	708,466
	<u>\$ 29,694,881</u>	<u>\$ 11,000,000</u>	<u>6,436,698</u>	<u>\$ 17,436,698</u>	<u>\$ 47,131,579</u>

* Preliminary, subject to change. Interest calculated at an assumed rate for purpose of illustration.

TAX ADEQUACY

TABLE 5

2021 Freeze Adjusted Net Taxable Assessed Valuation	\$ 2,345,891,373
Maximum Annual Debt Service Requirements (Fiscal Year Ending September 30, 2033*)	\$ 2,014,678 *
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	\$ 0.08763 *

* Preliminary, subject to change.

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

TAX RATE DISTRIBUTION

TABLE 6

Fund	2021	2020	2019	2018	2017
Maintenance & Operations Fund	\$0.3810	\$0.4253	\$0.4181	\$0.4369	\$0.4352
Interest & Sinking Fund	0.0458	0.0567	0.0411	0.0223	0.0240
General Fund Totals	\$0.4268	\$0.4820	\$0.4592	\$0.4592	\$0.4592
Road & Bridge	0.1073	0.1070	0.1298	0.1298	0.1298
County's Total Tax Rate	\$0.5341	\$0.5890	\$0.5890	\$0.5890	\$0.5890

Source: Fannin Central Appraisal District and information from the Issuer.

PROPERTY TAX RATES AND COLLECTIONS

TABLE 7

Tax Year	Certified Net Taxable Assessed Valuation ^(a)	Tax Rate	Total Tax Levy	% Collections		Fiscal Year Ending
				Current	Total	
2012	1,207,429,111	0.60510	8,582,030	96.92%	100.36%	9/30/2013
2013	1,493,500,295	0.59500	8,735,210	96.48%	100.07%	9/30/2014
2014	1,533,637,944	0.59500	8,828,631	98.45%	101.61%	9/30/2015
2015	1,601,524,098	0.59500	9,212,783	98.57%	102.04%	9/30/2016
2016	1,723,824,318	0.59000	9,788,275	98.68%	101.67%	9/30/2017
2017	1,836,868,819	0.58900	10,364,380	98.68%	101.26%	9/30/2018
2018	2,009,907,376	0.58900	11,295,848	98.14%	100.90%	9/30/2019
2019	2,267,678,536	0.58900	13,356,627	96.68%	98.44%	9/30/2020
2020	2,483,734,539	0.58900	14,629,196	97.33%	99.85%	9/31/2021
2021	2,846,009,210	0.53410	15,200,535	89.37%	91.46%	9/30/2022 *

^(a) Figures represent Net Taxable Assessed Valuation less Freeze adjustment.

Sources: Texas Municipal Reports, the Fannin Central Appraisal District and the Issuer.

* As of March 21, 2022.

GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE

TABLE 8

Fiscal Year Ending 9/30	Principal Repayment Schedule			Obligations Unpaid at End of Year*	Percent of Principal Retired (%)*
	Principal Outstanding	The Certificates*	Total*		
2022	\$ 615,000	\$ -	\$ 615,000	\$ 31,840,000	1.89%
2023	680,000	-	680,000	31,160,000	3.99%
2024	705,000	200,000	905,000	30,255,000	6.78%
2025	720,000	295,000	1,015,000	29,240,000	9.91%
2026	750,000	310,000	1,060,000	28,180,000	13.17%
2027	780,000	320,000	1,100,000	27,080,000	16.56%
2028	805,000	335,000	1,140,000	25,940,000	20.07%
2029	835,000	345,000	1,180,000	24,760,000	23.71%
2030	860,000	360,000	1,220,000	23,540,000	27.47%
2031	880,000	375,000	1,255,000	22,285,000	31.34%
2032	905,000	390,000	1,295,000	20,990,000	35.33%
2033	935,000	405,000	1,340,000	19,650,000	39.45%
2034	955,000	420,000	1,375,000	18,275,000	43.69%
2035	985,000	435,000	1,420,000	16,855,000	48.07%
2036	1,015,000	455,000	1,470,000	15,385,000	52.60%
2037	1,040,000	475,000	1,515,000	13,870,000	57.26%
2038	1,075,000	490,000	1,565,000	12,305,000	62.09%
2039	1,105,000	510,000	1,615,000	10,690,000	67.06%
2040	1,135,000	530,000	1,665,000	9,025,000	72.19%
2041	1,175,000	550,000	1,725,000	7,300,000	77.51%
2042	1,205,000	575,000	1,780,000	5,520,000	82.99%
2043	875,000	595,000	1,470,000	4,050,000	87.52%
2044	900,000	620,000	1,520,000	2,530,000	92.20%
2045	520,000	645,000	1,165,000	1,365,000	95.79%
2046	-	670,000	670,000	695,000	97.86%
2047	-	695,000	695,000	-	100.00%
	<u>\$ 21,455,000</u>	<u>\$ 11,000,000</u>	<u>\$ 32,455,000</u>		

* Preliminary, subject to change.

OPTIONAL ADDITIONAL SALES AND USE TAX

TABLE 9

The County has adopted the provisions of Chapter 323, as amended, Texas Tax Code. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The County approved a 1/2 cent sales tax for property relief to be effective January 1, 1988. Net collections on calendar year basis are as follows:

<u>Fiscal Year</u>	<u>½% Sales Tax Collections</u>	<u>Percent of Ad Valorem Tax Levy</u>	<u>Equivalent Ad Valorem Tax Rate</u>
2012	793,155	9.25%	0.05622
2013	795,119	9.26%	0.05606
2014	855,079	9.79%	0.05824
2015	901,942	10.22%	0.06079
2016	947,692	10.29%	0.06121
2017	1,004,143	10.26%	0.06053
2018	1,155,347	11.15%	0.06566
2019	1,295,998	11.47%	0.06758
2020	1,455,872	10.90%	0.06420
2021	1,741,727	11.91%	0.07013

Source: Texas Comptroller of Public Accounts and the Issuer.

PRINCIPAL TAXPAYERS 2021

TABLE 10

<u>Name</u>	<u>Type of Property</u>	<u>2021 Net Taxable Assessed Valuation</u>	<u>% of Total 2021 Net Taxable Assessed Valuation</u>
ONCOR Electric Delivery Company	Electric - Utility	\$ 52,588,210	1.85%
GSE One LLC	Pipeline	44,049,810	1.55%
Atmos Energy/MID-TEX Pipeline	Pipeline	40,610,700	1.43%
Energy Transfer Fuel LP	Oil & Gas	21,099,460	0.74%
Voluntary Purchasing Group	Agricultural Supply	18,793,612	0.66%
National Fleet Services, LLC	Auto Leasing	12,355,450	0.43%
Transcanada Keystone PL LP	Pipeline	11,022,190	0.39%
RFJ Auto Properties LLC	Auto Dealership	10,396,270	0.37%
Wal-Mart Stores	Retail	9,253,230	0.33%
Gulf South Pipeline Co	Pipeline	9,034,570	0.32%
Total		\$ 229,203,502	8.05%

Source: Fannin Central Appraisal District and the Issuer.

CLASSIFICATION OF ASSESSED VALUATION

TABLE 11

<u>Category</u>	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>	<u>2019</u>	<u>% of Total</u>
Real, Residential, Single Family	\$ 1,271,149,322	21.21%	\$ 1,113,713,789	22.21%	\$ 1,000,045,038	21.41%
Real, Residential, Multi-Family	34,567,048	0.58%	31,682,308	0.63%	30,759,805	0.66%
Real, Vacant Lots/Tract	36,254,242	0.60%	30,439,903	0.61%	26,515,954	0.57%
Qualified/Improvements Open-Space Land	1,954,769,621	32.62%	1,686,861,936	33.64%	1,609,897,131	34.47%
Rural Land, Non Qualified Open-Space	865,700,683	14.45%	776,496,728	15.48%	708,487,935	15.17%
Real, Commercial	228,717,476	3.82%	181,617,186	3.62%	169,800,685	3.64%
Real, Industrial	144,224,203	2.41%	39,235,700	0.78%	31,734,380	0.68%
Real & Tangible Personal, Utilities	185,039,561	3.09%	176,219,630	3.51%	169,340,090	3.63%
Tangible Personal, Commercial	95,864,970	1.60%	97,255,610	1.94%	84,538,610	1.81%
Tangible Personal, Industrial	95,684,360	1.60%	81,738,200	1.63%	93,162,380	1.99%
Tangible Personal, Mobile Homes	19,453,045	0.32%	13,722,367	0.27%	11,292,417	0.24%
Real Residential, Inventory	2,528,470	0.04%	2,572,150	0.05%	442,670	0.01%
Special Inventory	7,250,180	0.12%	8,122,680	0.16%	8,711,090	0.19%
Totally Exempt Property	<u>1,051,655,483</u>	<u>17.55%</u>	<u>775,380,382</u>	<u>15.46%</u>	<u>725,818,998</u>	<u>15.54%</u>
Total Appraised Value	\$ 5,992,858,664	100.00%	\$ 5,015,058,569	100.00%	\$ 4,670,547,183	100.00%
Less Exemptions:						
Over-65/Disabled	\$ 32,606,176		\$ 32,647,005		\$ 32,215,885	
Veterans Exemptions	47,970,970		40,580,805		32,735,095	
Pollution Control	7,795,370		7,890,630		7,795,370	
Abatements	66,829,760		7,839,190		10,709,010	
Freeport	7,338,563		8,562,947		7,216,664	
Productivity Value Loss	1,872,126,805		1,609,807,923		1,532,846,558	
10% Homestead Cap Loss	60,444,362		48,615,148		54,126,451	
Totally Exempt Property/Other	<u>1,051,737,448</u>		<u>775,380,382</u>		<u>725,867,503</u>	
Total Exemptions	\$ 3,146,849,454		\$ 2,531,324,030		\$ 2,403,512,536	
Net Taxable Assessed Valuation	\$ 2,846,009,210		\$ 2,483,734,539		\$ 2,267,034,647	
Freeze Taxable	\$ 500,117,837		\$ 457,504,887		\$ 401,252,634	
Transfer Adjustment	\$ -		\$ 594,273		\$ 571,251	
Net Taxable Assessed Valuation after Freeze and Adjustment	\$ 2,345,891,373		\$ 2,025,635,379		\$ 1,865,210,762	

Source: Fannin Central Appraisal District - Grand Totals As of Certification

Note: Taxable Assessed Valuations are subject to change during the year due to various supplements and protests.

Valuations shown in other tables of the Official Statement may not match these certified valuations.

OVERLAPPING DEBT DATA AND INFORMATION

TABLE 12

Expenditures of the various taxing bodies within the territory of the County are paid out of ad valorem taxes levied by these taxing bodies on their respective properties within the County. These political taxing bodies are independent of the County and may incur borrowings to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional debt since the date stated in the table, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the County's estimated share of overlapping gross debt of these various taxing bodies:

<u>Taxing Body</u>	<u>Gross Debt Principal</u>	<u>As of</u>	<u>% Overlapping</u>	<u>Amount Overlapping</u>
Bailey, City of	\$ 60,000	4/30/2022	100.00%	\$ 60,000
Blue Ridge ISD	33,925,000	4/30/2022	3.14%	1,065,245
Bonham ISD	31,950,000	4/30/2022	100.00%	31,950,000
Bonham, City of	23,775,000	4/30/2022	100.00%	23,775,000
Dodd City ISD	3,715,000	4/30/2022	100.00%	3,715,000
Dodd City, City of	-	4/30/2022	100.00%	-
Ector ISD	1,120,000	4/30/2022	100.00%	1,120,000
Fannindel ISD	830,000	4/30/2022	58.48%	485,384
Honey Grove ISD	7,185,000	4/30/2022	97.05%	6,973,043
Honey Grove, City of	-	4/30/2022	100.00%	-
Ladonia, City of	-	4/30/2022	100.00%	-
Leonard ISD	-	4/30/2022	85.58%	-
Leonard, City of	-	4/30/2022	100.00%	-
North Lamar ISD	44,005,000	4/30/2022	0.13%	57,207
Sam Rayburn ISD	3,223,059	4/30/2022	100.00%	3,223,059
Savoy ISD	470,000	4/30/2022	100.00%	470,000
Savoy, City of	-	4/30/2022	100.00%	-
Trenton ISD	5,790,000	4/30/2022	90.52%	5,241,108
Trenton, City of	1,195,000	4/30/2022	94.42%	1,128,319
Whitewright ISD	5,645,000	4/30/2022	14.25%	804,413
Wolfe City ISD	6,045,000	4/30/2022	6.21%	375,395
Total Gross Overlapping Debt Principal	\$ 168,933,059	4/30/2022		\$ 80,443,171
Fannin County	\$ 32,005,000 (a)*		100.00%	32,005,000 (a)*
Total Direct and Overlapping Debt Principal				\$ 112,448,171 (a)*
Ratio of Direct and Overlapping Debt to 2021 Adjusted Net Taxable Assessed Valuation				3.95% (a)*
Ratio of Direct and Overlapping Debt to 2021 Actual Market Value				1.88% (a)*
Per Capita Direct and Overlapping Debt				\$3,108.71 (a)*

(a) Includes the Certificates. (See "Table 2 - General Obligation Bonded Debt" herein.)

* Preliminary; subject to change.

Source: Municipal Advisory Council of Texas

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS OF DIRECT AND OVERLAPPING GOVERNMENTAL ENTITIES

TABLE 13

<u>Taxing Body</u>	<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued To Date</u>	<u>Unissued</u>
Whitewright ISD	5/7/2022	School Bldg	\$ 15,000,000	-	\$ 15,000,000

Source: Municipal Advisory Council of Texas.

ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ENTITIES

TABLE 14

<u>Governmental Entity</u>	<u>2021 Net Taxable Assessed Valuation</u>	<u>% of Actual</u>	<u>2021 Tax Rate</u>
Bailey, City of	\$ 7,252,762	100.00%	0.38700
Blue Ridge ISD	348,889,810	100.00%	1.46000
Bonham ISD	959,727,507	100.00%	1.21400
Bonham, City of	504,985,717	100.00%	0.65500
Dodd City ISD	84,737,385	100.00%	1.12200
Dodd City, City of	19,317,402	100.00%	0.30600
Ector ISD	68,936,106	100.00%	1.05400
Ector, City of	27,697,734	100.00%	0.56000
Fannindel ISD	77,610,886	100.00%	1.12200
Honey Grove ISD	285,670,332	100.00%	1.10200
Honey Grove, City of	84,743,156	100.00%	0.74000
Ladonia, City of	20,192,097	100.00%	0.39300
Leonard ISD	277,156,787	100.00%	0.96000
Leonard, City of	112,708,739	100.00%	0.60100
North Lamar ISD	1,429,831,062	100.00%	1.14600
Sam Rayburn ISD	153,110,559	100.00%	1.11400
Savoy ISD	152,249,793	100.00%	1.07000
Savoy, Town of	34,200,636	100.00%	0.70100
Trenton ISD	297,673,873	100.00%	1.14000
Trenton, City of	54,668,494	100.00%	0.69200
Whitewright ISD	412,692,437	100.00%	1.11200
Windom, Town of	11,757,347	100.00%	0.15700
Wolfe City ISD	171,773,537	100.00%	1.14500

Source: Fannin Central Appraisal District and latest available Texas Municipal Reports published by the Municipal Advisory Council of Texas

FUND BALANCES

TABLE 15

	<u>As of 9/30/2021</u>
General Fund	\$ 4,374,206
Special Revenue Funds	5,885,924
Debt Service Fund	471,072
Capital Projects Fund	4,250,493
Total	<u>\$ 14,981,695</u>

Source: The County's Annual Financial Report for Fiscal Year Ended September 30, 2021.

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

TABLE 16

	Fiscal Year Ended September 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES:					
Ad valorem taxes	\$ 9,893,067	\$ 9,034,214	\$ 8,480,531	\$ 7,768,062	\$ 7,747,364
Other Taxes	1,725,831	1,391,936	1,340,718	1,180,387	1,091,626
Licenses and permits	147,956	118,774	103,201	121,944	104,628
Intergovernmental	58,842	107,609	26,459	65,541	33,365
Fees of office	1,015,217	811,204	733,587	976,386	880,150
Fees of tax collector	421,200	360,047	433,570	415,020	412,756
Fines	1,831	13,823	12,463	11,416	19,001
Interest	7,146	49,586	91,969	79,016	27,129
Miscellaneous	1,053,390	246,609	265,176	276,520	321,653
Total Revenues	<u>\$ 14,324,480</u>	<u>\$ 12,133,802</u>	<u>\$ 11,487,674</u>	<u>\$ 10,894,292</u>	<u>\$ 10,637,672</u>
EXPENDITURES:					
General administration	\$ 760,435	\$ 719,208	\$ 719,392	\$ 688,978	\$ 699,662
Judicial	2,541,354	2,383,840	2,331,729	2,304,455	2,249,035
Legal	939,214	918,424	911,121	835,542	851,866
Financial administration	885,209	897,121	956,211	887,618	888,854
Public facilities	488,982	445,727	362,406	420,650	404,685
Public safety	5,805,785	5,995,690	5,240,501	4,666,833	4,596,905
Health and welfare	688,779	602,850	573,609	570,672	509,926
Nondepartmental	1,264,137	1,132,130	1,005,608	942,901	902,910
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>\$ 13,373,895</u>	<u>\$ 13,094,990</u>	<u>\$ 12,100,577</u>	<u>\$ 11,317,649</u>	<u>\$ 11,103,843</u>
Other Financing Sources (uses):					
Transfers In	5,482	1,032	-	-	-
Transfers Out	(7,509)	(429)	-	-	-
Sale of capital assets	22,428	20,606	-	23,382	116
Total other financing sources (uses)	20,401	21,209	-	23,382	116
Net Change in Fund Balance	970,986	(939,979)	(612,903)	(399,975)	(466,055)
Fund Balances, October 1	3,403,220	4,343,199	4,956,102 ^(a)	5,355,936	5,821,991
Increase (decrease) in fund balance	-	-	-	-	-
Fund Balances, September 30	<u>\$ 4,374,206</u>	<u>\$ 3,403,220</u>	<u>\$ 4,343,199</u>	<u>\$ 4,955,961 ⁽¹⁾</u>	<u>\$ 5,355,936</u>

^(a) The \$141.00 discrepancy in the 2019 Fund Balance was a posting error, should have been posted to miscellaneous.

Source: The Issuer's Annual Financial Reports.

**FANNIN COUNTY PUBLIC FACILITY CORPORATION
DEBT SERVICE REQUIREMENTS**

TABLE 17

In 2008, the County approved and authorized the creation of the Fannin County Public Facility Corporation (the "Corporation"), a public nonprofit corporation organized pursuant to Chapter 303, Texas Local Government Code, as amended, and issued bonds designated as "Fannin County Public Facilities Corporation Project Revenue Bonds, Series 2008" (the "2008 Bonds"), the proceeds of which were used to fund the development, design, construction, furnishing, and equipping of a multi-classification secure detention center (the "Project").

On December 15, 2011, the Corporation received notice from the Internal Revenue Service (the "IRS") that the IRS would be conducting an examination of the 2008 Bonds. The IRS stated in a closing agreement (the "Closing Agreement") between the Corporation and the IRS that, based on the IRS' findings from the examination, the IRS had a basis to conclude that interest on the 2008 Bonds was includable in the bondholders' gross income because the 2008 Bonds were private activity bonds as set forth in section 141 of the Internal Revenue Code.

In the Closing Agreement, the Corporation agreed to issue taxable refunding bonds to defease all outstanding 2008 Bonds and wire to the IRS a settlement amount of \$1,752,447. On July 21, 2014, in accordance with the provisions agreed to in the Closing Agreement, the Corporation authorized the issuance of its "Fannin County Public Facility Corporation Senior Lien Revenue Refunding Bonds, Taxable Series 2014 (Detention Facility Project)" (the "2014 Bonds"), refunding all outstanding 2008 Bonds and providing funds to finance the IRS settlement payment.

The Corporation originally leased the Project to the County pursuant to a Sublease Agreement, dated June 1, 2008, as amended and restated as of August 1, 2014 (the "Sublease"). The Sublease requires the County to make rental payments thereunder in amounts and at times sufficient to pay the principal of, premium, if any, and interest on the 2014 Bonds when due. The County makes rental payments directly to U.S. Bank National Association, Dallas, Texas (the "Trustee") for deposit to a project fund established in the Sublease to be transferred by the Trustee into the 2014 Bonds' interest and sinking fund and are thereafter used to pay the principal of, premium, if any, and interest on the 2014 Bonds. The 2014 Bonds are payable from and secured by a lien on and pledge of (i) all of the right, title and interest of the Corporation in all leases, including, without limitation, the Sublease (except for the Corporation's rights to indemnification and reimbursement of expenses), and all rental payments due thereunder and (ii) a first lien on and pledge of the money and investments in certain amounts deposited in the funds and accounts established pursuant to a Trust Indenture (the "Indenture"), dated as of August 1, 2014, between the Trustee and the Corporation. The County's obligation to make rental payments under the Sublease is payable solely from revenues derived from the operation of the Project and from revenues to be received by the County for deposit into the Project fund from the County's 96-bed satellite jail facility (the "Project Revenues"). The County has not appropriated and does not intend to appropriate any ad valorem tax revenues or other funds for the payment of rental payments or other payments due under the Sublease. The 2014 Bonds are further secured by a deed of trust on the Corporation's interest in the Project given by the Corporation for the benefit of the Trustee.

The Corporation originally entered into a Ground Lease Agreement, dated June 1, 2008, as amended and restated as of August 1, 2014 (the "Ground Lease"), whereby the County leases property to the Corporation for a term ending on the earlier of June 1, 2017, or the date no 2014 Bonds or additional bonds are outstanding. The Corporation has the right under the Ground Lease to lease the Project to the County pursuant to the Sublease. The Corporation and the County agreed the Corporation may operate the Project and may add to or remove from the Project all as contemplated by the deed of trust, the Sublease, and the Indenture.

The 2014 Bonds do not constitute an indebtedness or general obligation of the Corporation or the County, but are special obligations of the Corporation payable solely from the sources provided in the trust indenture governing the 2014 Bonds' issuance. The 2014 Bonds are therefore not secured by the same source of payment as the Certificates that are the subject of this Official Statement, and a holder of the 2014 Bonds shall not have the right to claim otherwise.

On September 30, 2016, S&P Global Ratings lowered its long-term rating on the Corporation's outstanding revenue debt to "BB" from "BBB" and kept the rating on credit watch, where it was placed with negative implications on June 3, 2016. In April 2019, S&P Global Ratings withdrew its rating on the Corporation's debt, along with several other entities with revenue bonds secured by federal contract revenues, citing its inability to communicate with the federal agency that appropriates the funding, or the operator who manages a specific facility.

Effective as of September 1, 2018, the GEO Group, Inc. terminated its Operation & Management Agreement and the County transitioned operations to LaSalle Corrections, LLC under the terms of a Facility Operation & Management Agreement effective as of September 1, 2018.

The following is a debt service table related only to the Corporation's outstanding debt obligations:

Fiscal Year	2014 Bond Debt Service		
	Principal	Interest	Total
2022	\$ 900,000	\$ 1,836,903	\$ 2,736,903
2023	955,000	1,782,828	2,737,828
2024	1,010,000	1,722,868	2,732,868
2025	1,075,000	1,657,426	2,732,426
2026	1,140,000	1,583,965	2,723,965
2027	1,220,000	1,502,545	2,722,545
2028	1,305,000	1,415,433	2,720,433
2029	1,395,000	1,322,283	2,717,283
2030	1,490,000	1,222,750	2,712,750
2031	1,595,000	1,115,520	2,710,520
2032	1,705,000	1,000,020	2,705,020
2033	1,825,000	876,470	2,701,470
2034	1,950,000	743,370	2,693,370
2035	2,090,000	599,950	2,689,950
2036	2,240,000	446,235	2,686,235
2037	5,165,000	183,358	5,348,358
	<u>27,060,000</u>	<u>19,011,921</u>	<u>46,071,921</u>

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APPENDIX B

**GENERAL INFORMATION REGARDING FANNIN COUNTY, TEXAS
AND THE CITY OF BONHAM, TEXAS**

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GENERAL INFORMATION REGARDING FANNIN COUNTY AND THE CITY OF BONHAM, TEXAS

Fannin County is located Northeast of the DFW metroplex and borders Oklahoma. The county seat is the City of Bonham, Texas.

Map of Texas Counties showing location of Fannin County



Population Trends

<u>Year</u>	<u>Fannin County</u>
2021 Estimate	36,172
2020 Census	35,662
2010 Census	33,915
2000 Census	31,242
1990 Census	24,817
1980 Census	24,285
1970 Census	22,705

Sources: U.S. Census Bureau and the Issuer and Texas Demographic Center.

Leading Employers – Fannin County

<u>Employer</u>	<u>Type of Business</u>
Sam Rayburn Memorial Veterans Center	Veterans Hospital
Texas Department of Criminal Justice	Prisons
McCraw Oil/Kwik Chek	Fuel and propane/convenience stores
Bonham ISD	Schools
WalMart	Discount Store
Clayton Homes	Manufacturing Housing
Texoma Medical Center	Hospital
Fannin County and City of Bonham	Local Government
Voluntary Purchasing Group	Fertilizer Plant

Source: The Issuer.

Labor Force Statistics

	<u>Fannin County</u>	
	<u>2021</u>	<u>2020</u>
Civilian Labor Force	17,165	16,589
Total Employed	16,478	15,806
Total Unemployed	687	783
% Unemployed	4.0%	4.7%
% Unemployed (Texas)	5.7%	7.7%
% Unemployed (United States)	5.3%	8.1%

Source: Texas Workforce Commission, Labor Market Information Department, not seasonally adjusted

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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July 27, 2022

Norton Rose Fulbright US LLP
Frost Tower
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San Antonio, Texas 78205
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DRAFT

IN REGARD to the authorization and issuance of the “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022” (the *Certificates*), dated July 1, 2022 in the aggregate principal amount of \$_____, we have reviewed the legality and validity of the issuance thereof by the Commissioners Court of Fannin County, Texas (the *Issuer*). The Certificates are issuable in fully registered form only, in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and have Stated Maturities of March 1 in each of the years 20__ through 20__, unless redeemed prior to Stated Maturity in accordance with the terms stated on the face of the Certificates. Interest on the Certificates accrues from the dates, at the rates, in the manner, and is payable on the dates, all as provided in the order (the *Order*) authorizing the issuance of the Certificates. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Order.

WE HAVE SERVED AS BOND COUNSEL for the Issuer solely to pass upon the legality and validity of the issuance of the Certificates under the laws of the State of Texas and with respect to the exclusion of the interest on the Certificates from the gross income of the owners thereof for federal income tax purposes and for no other purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Issuer’s library system (the *Library System*) and have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Certificates. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Certificates. Our role in connection with the Issuer’s Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

WE HAVE EXAMINED, the applicable and pertinent laws of the State of Texas and the United States of America. In rendering the opinions herein we rely upon (1) original or certified copies of the proceedings of the Commissioners Court of the Issuer in connection with the issuance of the Certificates, including the Order; (2) customary certifications and opinions of officials of the Issuer; (3) certificates executed by officers of the Issuer relating to the expected use and investment of proceeds of the Certificates and certain other funds of the Issuer and to certain other facts solely within the knowledge and control of the Issuer; and (4) such other documentation, including an examination of the Certificate executed and delivered initially by the Issuer and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements and information contained in such certificates. We express no opinion

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Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”

concerning any effect on the following opinions which may result from changes in law effected after the date hereof.

BASED ON OUR EXAMINATION, IT IS OUR OPINION that the Certificates have been duly authorized and issued in conformity with the laws of the State of Texas now in force and that the Certificates are valid and legally binding obligations of the Issuer enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the Issuer and are further payable from and secured by a lien on and pledge of the Pledged Revenues, being a limited amount of the Net Revenues derived from the operation of the Library System, such lien on and pledge of the limited amount of Net Revenues, being subordinate and inferior to the lien on and pledge of such Net Revenues securing the payment of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the Issuer. In the Order, the Issuer retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Parity Obligations without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

BASED ON OUR EXAMINATION, IT IS FURTHER OUR OPINION that, assuming continuing compliance after the date hereof by the Issuer with the provisions of the Order and in reliance upon the representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Certificates, under existing statutes, regulations, published rulings, and court decisions (1) interest on the Certificates will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*), of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code, and (2) interest on the Certificates will not be included in computing the alternative minimum taxable income of the owners thereof.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our

Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”

attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

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APPENDIX D

EXCERPTS FROM FANNIN COUNTY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

(Independent Auditor's Report, Management Discussion and Analysis, General Financial Statements and Notes to the Financial Statements – not intended to be a complete statement of the Issuer's financial conditions. Reference is made to the Complete Annual Financial Report for further information.)

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FANNIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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FANNIN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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Financial Section

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
3214 W Park Row, Suite E
Pantego, Texas 76013

INDEPENDENT AUDITORS' REPORT

Honorable County Judge and County Commissioners
Comprising the Commissioners Court of Fannin County, Texas
Bonham, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fannin County, Texas (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government Hal activities, each major fund, and the aggregate remaining fund information of Fannin County, Texas as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note IV H to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities as of and for the year ended September 30, 2021. The requirements of this Statement have been reported as a restatement of beginning fiduciary net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

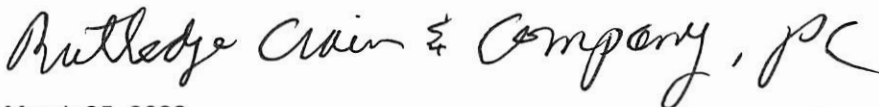
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



March 25, 2022

Management's Discussion and Analysis

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FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

As management of Fannin County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented herein with the County's financial statements, which follow this section.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2021 by \$39,840,794 (net position). Of this amount, \$3,892,965 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net position increased by \$5,436,332. The majority of this increase is attributable to the increase in capital assets.

The County's governmental funds reported combined ending fund balances of \$15,287,989, a decrease of \$5,587,792 in comparison to the previous year mainly due to the expense being paid on the courthouse restoration.

The unreserved portion of the General Fund fund balance at the end of the year was \$4,374,206 or 33% of total General Fund expenditures for fiscal year 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Fannin County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In addition, the statement of activities highlights government activities supported by taxes and intergovernmental revenues, along with program revenues classified to the corresponding government activity.

Fund financial statements. The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 61 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, American Recovery Program Grant Fund, and the 2020 CO Bonds Construction FY2020 which are considered to be a major funds. Data from the other 58 funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds account for assets held by the County in a trustee capacity or as a custodian on behalf of others. Private Purpose Trust funds account for assets held by the government under the terms of a formal trust agreement.

Notes to the Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information following the notes to the financial statements. The other supplementary information includes combining and individual statements and schedules.

Government-wide Financial Analysis

At the end of fiscal year 2021, the County's net position (assets exceeding liabilities) totaled \$39,840,794. This analysis focuses on the net position (Table 1) and changes in net position (Table 2). This is an increase of \$5,436,332, mainly due to an increase in assets.

Net Position. \$35,426,999 reflects the County's investment in capital assets (land, buildings, infrastructure, machinery and equipment, construction in progress); less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position, \$3,892,965 may be used to meet the government's ongoing obligations to citizens and creditors.

FANNIN COUNTY, TEXAS*MANAGEMENT'S DISCUSSION AND ANALYSIS**September 30, 2021*

Table 1
Condensed Statement of Net Position

	<u>9/30/2021</u>	<u>9/30/2020</u>
ASSETS		
Current and other assets	\$ 26,822,370	\$ 30,407,982
Capital assets	<u>45,733,128</u>	<u>33,451,334</u>
Total assets	<u>72,555,498</u>	<u>63,859,316</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges	<u>2,732,527</u>	<u>2,033,758</u>
LIABILITIES		
Long-term liabilities	23,562,008	23,559,019
Other liabilities	<u>5,896,400</u>	<u>5,584,969</u>
Total liabilities	<u>29,458,408</u>	<u>29,143,988</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	3,449,089	155,188
Deferred pension inflows	<u>2,539,734</u>	<u>2,189,436</u>
	<u>5,988,823</u>	<u>2,344,624</u>
NET POSITION		
Net Investment in capital assets	35,426,999	23,371,699
Restricted For Debt Service	520,830	269,716
Restricted For Capital Projects	-	1,760,324
Unrestricted	<u>3,892,965</u>	<u>9,002,723</u>
	<u>\$ 39,840,794</u>	<u>\$ 34,404,462</u>

Changes in Net Position. The net position of the County increased by \$5,436,332 for the fiscal year ended September 30, 2021. This increase is mainly due to the increase in long term liabilities.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Table 2
Changes in Net Position

	<u>9/30/2021</u>	<u>9/30/2020</u>
Program Revenues:		
Charges for services	\$ 3,354,320	\$ 2,952,444
Operating grants and contributions	1,000,626	2,323,114
Capital grant and contributions	2,290,035	8,515,709
General Revenues		
Taxes	15,979,508	14,227,680
Unrestricted Investment Earnings	21,820	151,123
Miscellaneous	2,807,779	132,915
Gain (loss) on sale of capital assets	83,243	104,146
Total Revenues	<u>25,537,331</u>	<u>28,407,131</u>
Expenses:		
General Administration	911,126	892,975
Judicial	2,507,928	2,428,927
Legal	928,457	950,165
Financial Administration	855,296	915,701
Public Facilities	552,262	493,452
Public Safety	6,080,242	6,350,788
Public Transportation	4,931,763	4,995,510
Health and Welfare	958,151	646,181
Non Departmental	1,281,990	1,393,892
Capital Outlay	479,576	-
Debt Service	614,208	680,290
Total Expenses	<u>20,100,999</u>	<u>19,747,881</u>
Increase/Decrease in net position	5,436,332	8,659,250
Net position-October 1	34,404,462	25,743,212
Net position-September 30	<u>\$ 39,840,794</u>	<u>\$ 34,402,462</u>

Financial Analysis of the Government's Funds

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$15,287,989.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

The General Fund is the main operating fund of the County. At the end of the current fiscal year, unreserved fund balance was \$4,374,206. This is a decrease over last year with the primary reason due to the decrease of cash.

General Fund Budgetary Highlights. Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure.

Overall total actual income was over amended budget by \$736,159.

The overall County Sheriff budget was under budget by \$232,737. This was due to being short staffed in both patrol and dispatch the entire year.

Indigent Healthcare budget was over budget by \$150,319. This was due to an increase in the number of individuals being serviced by the Indigent Healthcare program.

336th District Court was over budget by \$200,863. This was due to more indigent criminal cases.

Tax Assessor-Collector was under budget by \$18,889. This was due in part to closing the Leonard office and reduction of part time employee.

County Judge was under budget by \$2,666.

County Court at Law budget was under budget by \$7,782.

Jail Operations was under budget by \$447,891. This was due to a team effort by the departments working diligently to keep cases processed.

Overall, expenditures were under the amended budget by \$568,718.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets as of September 30, 2021, amounts to \$45,733,128 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Table 3
Capital Assets at Year End
Net of Accumulated Depreciation

	9/30/2021	9/30/2020
Land	\$ 341,562	\$ 341,561
Construction in progress	21,906,324	11,058,754
Buildings	894,112	1,005,450
Machinery and equipment	2,568,840	2,087,589
Infrastructure	20,022,290	18,957,980
	<u>\$ 45,733,128</u>	<u>\$ 33,451,334</u>

Additional information on the County's capital assets can be found in the notes to the financial statements.

Debt Administration. At the end of the current fiscal year, Fannin County had total debt outstanding of \$23,562,008. The net pension liability increased by \$101,253. Compensated absences decreased by \$49,213, and capitalized leases obligations increased by \$305,030.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Table 4
Outstanding Debt at Year End

<u>Type of Debt</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
General Obligation Bonds	\$ 11,595,000	\$ 11,930,000
Certificate of Obligation	9,860,000	9,860,000
Unamortized premium	627,249	655,687
Unamortized discount	(208,830)	(218,188)
Net Bonds Payable	<u>21,873,419</u>	<u>22,227,499</u>
Capital Lease Obligation	357,169	52,139
Net Pension Liability	1,163,753	1,062,500
Compensated Absences	<u>167,667</u>	<u>216,880</u>
Total	<u>\$ 23,562,008</u>	<u>\$ 23,559,018</u>

Additional information on the County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Fannin County economy showed stability this year even with the continuation of the Covid-19 pandemic. The county is projecting a significant increase in growth for the next year. This forecast is due to the present economic conditions which indicate growth primary due to the completion of Bois D'Arc Lake and the start of work on Lake Ralph Hall. In the future years, we foresee even more significant growth in our county coming from the Dallas/Fort Worth Metroplex area. Overall, our property values reflect an increase in value according to preliminary appraised values for 2021 tax year.

Some key factors to look for in future budgets:

Substantial increase in costs for the County's courts due to indigent defense in both civil and criminal cases, as well as CPS due to the increased growth.

The cost that will be incurred by the County for the construction or the renovation of a Justice Center to house our judicial system.

Possible infrastructure improvements.

Requests for Information

This financial report is designed to provide a general overview of Fannin County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 101 E. Sam Rayburn, Suite 303, Bonham, Texas 75418.

Basic Financial Statements

FANNIN COUNTY, TEXAS
 STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
<i>Cash and cash equivalents</i>	\$ 14,988,969
<i>Investments</i>	4,678,136
Receivables (net of allowances for uncollectibles):	
<i>Taxes</i>	986,023
<i>Accounts</i>	119,203
<i>Fines</i>	4,893,614
<i>Intergovernmental</i>	1,054,552
<i>Inventories</i>	101,873
Capital assets (net of accumulated depreciation)	
<i>Land</i>	341,562
<i>Construction in progress</i>	21,906,324
<i>Buildings</i>	894,112
<i>Machinery and equipment</i>	2,568,840
<i>Infrastructure</i>	<u>20,022,290</u>
Total Assets	<u>72,555,498</u>
DEFERRED OUTFLOWS OF RESOURCES	
<i>Deferred pension outflow</i>	<u>2,732,527</u>
Total Deferred Outflows of Resources	<u>2,732,527</u>
LIABILITIES	
<i>Accounts payable</i>	1,834,509
<i>Accrued liabilities</i>	462,533
<i>Interest payable</i>	226,337
<i>Due to other governments</i>	796,255
<i>Due to others</i>	2,576,766
Noncurrent liabilities:	
<i>Due within one year</i>	887,118
<i>Due in more than one year</i>	<u>22,674,890</u>
Total Liabilities	<u>29,458,408</u>
DEFERRED INFLOWS OF RESOURCES	
<i>Unearned revenue</i>	3,449,089
<i>Deferred pension inflow</i>	<u>2,539,734</u>
Total Deferred Inflows of Resources	<u>5,988,823</u>
NET POSITION:	
<i>Net Investment in Capital Assets</i>	35,426,999
Restricted For:	
<i>Debt Service</i>	520,830
<i>Unrestricted</i>	<u>3,892,965</u>
Total Net Position	<u>\$ 39,840,794</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities:					
<i>General administration</i>	\$ 911,126	\$ 462,849	\$ 265,068	\$ 120,000	\$ (63,209)
<i>Judicial</i>	2,507,928	543,516	45,495	--	(1,918,917)
<i>Legal</i>	928,457	45,788	44,318	--	(838,351)
<i>Financial administration</i>	855,296	421,716	--	--	(433,580)
<i>Public facilities</i>	1,031,838	--	31,667	1,922,031	921,860
<i>Public safety</i>	6,080,242	669,250	433,771	11,587	(4,965,634)
<i>Public transportation</i>	4,931,763	1,053,282	68,793	218,600	(3,591,088)
<i>Health and welfare</i>	958,151	147,956	102,839	--	(707,356)
<i>Nondepartmental</i>	1,281,990	9,963	8,675	17,817	(1,245,535)
<i>Interest on long-term debt</i>	614,208	--	--	--	(614,208)
Total expenses	<u>20,100,999</u>	<u>3,354,320</u>	<u>1,000,626</u>	<u>2,290,035</u>	<u>(13,456,018)</u>
Total Primary Government	<u>\$ 20,100,999</u>	<u>\$ 3,354,320</u>	<u>\$ 1,000,626</u>	<u>\$ 2,290,035</u>	<u>(13,456,018)</u>
General Revenues:					
<i>Property Taxes</i>					14,056,864
<i>Other Taxes</i>					1,922,644
<i>Unrestricted Investment Earnings</i>					21,820
<i>Miscellaneous</i>					2,807,779
<i>Gain (Loss) on Disposal of Capital Assets</i>					83,243
Total General Revenues and Transfers					<u>18,892,350</u>
Change in Net Position					5,436,332
Net Position - Beginning					<u>34,404,462</u>
Net Position - Ending					<u>\$ 39,840,794</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	General Fund	American Recovery Program Grant
ASSETS		
<i>Cash and cash equivalents</i>	\$ 1,231,663	\$ 3,449,261
<i>Investments</i>	3,520,480	--
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	723,238	--
<i>Accounts</i>	119,203	--
<i>Fines</i>	4,893,614	--
<i>Intergovernmental</i>	264,956	--
<i>Due from other funds</i>	248,923	--
<i>Inventories</i>	--	--
Total Assets	<u>\$ 11,002,077</u>	<u>\$ 3,449,261</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 722,287	\$ --
<i>Accrued liabilities</i>	355,247	--
<i>Due to other funds</i>	--	--
<i>Due to other governments</i>	796,255	--
<i>Due to others</i>	2,576,766	--
Total Liabilities	<u>4,450,555</u>	<u>--</u>
Deferred Inflows of Resources:		
<i>Unavailable revenue - property taxes</i>	654,585	--
<i>Unavailable revenue - fines</i>	1,522,731	--
<i>Unavailable revenue - grants</i>	--	3,449,089
Total Deferred Inflows of Resources	<u>2,177,316</u>	<u>3,449,089</u>
Fund balances:		
<i>Nonspendable</i>	--	--
<i>Restricted</i>	--	172
<i>Committed</i>	--	--
<i>Unassigned</i>	4,374,206	--
Total fund balances	<u>4,374,206</u>	<u>172</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,002,077</u>	<u>\$ 3,449,261</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

2020 CO Bonds Construction FY2020	Other Governmental Funds	Total Governmental Funds
\$ 4,328,608	\$ 5,979,439	\$ 14,988,971
--	1,157,656	4,678,136
--	262,785	986,023
--	--	119,203
--	--	4,893,614
656,733	132,863	1,054,552
--	--	248,923
--	101,873	101,873
<u>\$ 4,985,341</u>	<u>\$ 7,634,616</u>	<u>\$ 27,071,295</u>
\$ 734,848	\$ 377,373	\$ 1,834,508
--	107,286	462,533
--	248,923	248,923
--	--	796,255
--	--	2,576,766
<u>734,848</u>	<u>733,582</u>	<u>5,918,985</u>
--	237,916	892,501
--	--	1,522,731
--	--	3,449,089
<u>--</u>	<u>237,916</u>	<u>5,864,321</u>
--	101,873	101,873
4,250,493	4,127,950	8,378,615
--	2,649,578	2,649,578
--	(216,283)	4,157,923
<u>4,250,493</u>	<u>6,663,118</u>	<u>15,287,989</u>
<u>\$ 4,985,341</u>	<u>\$ 7,634,616</u>	<u>\$ 27,071,295</u>

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FANNIN COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

Total fund balances - governmental funds balance sheet	\$ 15,287,989
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	45,733,128
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	892,500
Payables for bond principal which are not due in the current period are not reported in the funds.	(21,455,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(357,169)
Payables for bond interest which are not due in the current period are not reported in the funds.	(226,341)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(167,667)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,522,731
Recognition of the County's net pension liability is not reported in the funds.	(1,163,750)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,539,734)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	2,732,526
Bond premiums are amortized in the SNA but not in the funds.	<u>(418,419)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 39,840,794</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	American Recovery Program Grant
Revenue:		
<i>Ad valorem taxes</i>	\$ 9,893,067	\$ --
<i>Other taxes</i>	1,725,831	--
<i>Licenses and permits</i>	147,956	--
<i>Intergovernmental</i>	58,842	--
<i>Fees of office</i>	1,015,217	--
<i>Fees of tax collector</i>	421,200	--
<i>Fines</i>	1,831	--
<i>Interest</i>	7,146	172
<i>Miscellaneous</i>	1,053,390	--
Total revenues	<u>14,324,480</u>	<u>172</u>
Expenditures:		
<i>General administration</i>	760,435	--
<i>Judicial</i>	2,541,354	--
<i>Legal</i>	939,214	--
<i>Financial administration</i>	885,209	--
<i>Public facilities</i>	488,982	--
<i>Public safety</i>	5,805,785	--
<i>Public transportation</i>	--	--
<i>Health and welfare</i>	688,779	--
<i>Nondepartmental</i>	1,264,137	--
Capital outlay	--	--
Debt service:		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	--	--
<i>Paying agent fees</i>	--	--
Total expenditures	<u>13,373,895</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	950,585	172
Other financing sources (uses):		
<i>Transfers in</i>	5,482	--
<i>Transfers out</i>	(7,509)	--
<i>Sale of capital assets</i>	22,428	--
<i>Capital leases</i>	--	--
Total other financing sources (uses)	<u>20,401</u>	<u>--</u>
Net change in fund balances	970,986	172
Fund balances, October 1	3,403,220	--
Fund balances, September 30	<u>\$ 4,374,206</u>	<u>\$ 172</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

2020 CO Bonds Construction FY2020	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 4,137,604	\$ 14,030,671
--	511,827	2,237,658
--	--	147,956
3,251,995	1,243,880	4,554,717
--	442,188	1,457,405
--	700,740	1,121,940
--	208,780	210,611
10,364	4,138	21,820
--	544,520	1,597,910
<u>3,262,359</u>	<u>7,793,677</u>	<u>25,380,688</u>
--	623,968	1,384,403
--	14,952	2,556,306
--	18,082	957,296
--	--	885,209
--	--	488,982
--	302,045	6,107,830
--	4,395,537	4,395,537
--	272,584	961,363
--	17,853	1,281,990
8,915,696	2,411,450	11,327,146
--	335,000	335,000
--	781,406	781,406
--	3,430	3,430
<u>8,915,696</u>	<u>9,176,307</u>	<u>31,465,898</u>
(5,653,337)	(1,382,630)	(6,085,210)
--	7,509	12,991
--	(5,482)	(12,991)
--	117,736	140,164
--	357,254	357,254
<u>--</u>	<u>477,017</u>	<u>497,418</u>
(5,653,337)	(905,613)	(5,587,792)
9,903,830	7,568,731	20,875,781
<u>\$ 4,250,493</u>	<u>\$ 6,663,118</u>	<u>\$ 15,287,989</u>

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FANNIN COUNTY, TEXAS

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021*

Net change in fund balances - total governmental funds	\$ (5,587,792)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	12,014,527
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,503,830)
The gain or loss on the sale of capital assets is not reported in the funds.	(56,921)
Donations of capital assets increase net position in the SOA but not in the funds.	1,828,017
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	26,107
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(1,871,570)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	335,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	52,139
(Increase) decrease in accrued interest from beginning of period to end of period.	151,550
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	49,213
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	90,761
Bond premiums and discounts are reported in the funds but not in the SOA.	19,080
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(357,169)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>247,220</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 5,436,332</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
<i>Cash and cash equivalents</i>	\$ 2,968,517
Total Assets	<u>2,968,517</u>
LIABILITIES	
<i>Due to other governments</i>	570,687
<i>Due to others</i>	<u>206,666</u>
Total Liabilities	<u>777,353</u>
NET POSITION	
<i>Individuals, organizations and other governments</i>	\$ <u><u>2,191,164</u></u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS:	
<i>Tax collections</i>	\$ 9,036,030
<i>Fees of office</i>	1,933,959
<i>Receipts from fiduciaries</i>	2,600,694
<i>Miscellaneous</i>	119,723
Total Additions	<u>13,690,406</u>
DEDUCTIONS:	
<i>Payments to county</i>	2,589,735
<i>Payments to other governments</i>	7,972,431
<i>Payments to beneficiaries</i>	3,481,292
<i>Other</i>	45,101
Total Deductions	<u>14,088,559</u>
Change in Fiduciary Net Position	(398,153)
<i>Net Position-Beginning of the Year</i>	--
<i>Prior Period Adjustment</i>	2,589,317
<i>Net Position-End of the Year</i>	<u>\$ 2,191,164</u>

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FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the commissioners' court. The county's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of Fannin County, Texas, conform to generally accepted accounting principals issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, are normally supported by taxes, charges for services, and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

American Recovery Program Grant accounts for a grant to relieve effects of the COVID 19 pandemic.

The *2020 CO Bonds Construction Fund* is one of the County's fund used to account for the renovation of the County's Courthouse.

Additionally, the County reports the following fund types:

The Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including private purpose trusts or major capital projects).

The Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest.

Capital Projects Funds account for the use of the proceeds of debt issued for major capital projects.

Custodial Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other agency funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

D. Budgetary Information

1. Annual budgets are adopted on the GAAP basis of accounting for the general fund, certain special revenue funds, and the debt service fund. All annual appropriations lapse at fiscal year end. The following special revenue funds were not budgeted:

- County Clerk Court Records Preservation
- Raw Water Pipeline Rock for Pct. 2,3,4
- Contraband Seizure
- IHC Co-Op Gin
- Investigator LEOSE
- CERT
- Hazard Mitigation
- Safe Room Reimbursement Program
- CARES Act Coronavirus Relief
- American Recovery Program Grant
- Sheriff Forfeiture
- Sheriff's Office Technology
- Courthouse Restoration
- Right of Way
- Veterans Court Program

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. Thus, the legal level of budgetary control is at the fund level. Several supplemental appropriations were required during the year.

2. Excess of Expenditures Over Appropriations

For the year ended September 30, 2021, expenditures exceeded appropriations in the following funds:

Special Revenue Funds	
Chapter 19 Funds	\$29,259
County Clerk Co. & Dist. Court Technology	501
J.P. #1 Justice Court Technology	44
F.C. Detention Center Annual Payment	267
D.A. Fee	14,506
Law Enforcement Education Sheriff's Office	173
Lake Fannin	1,236
Sinking Fund	593

3. Deficit Fund Balances

The following funds had deficit fund balances at September 30, 2021:

Special Revenue Funds	
County Clerk Vital Statistics	\$ 1,028
District Clerk Records Management	1,138
Hazard Mitigation Fund	6,250
Courthouse Restoration	139,141

E. Assets, liabilities, and net position or equity

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Fannin County Central Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31, the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 30 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

4. Compensated absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide funds. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as deferred outflow of resources and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Fund equity

In government-wide statements, net position is classified into three categories as follows:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of net position whose use is restricted by contributors, laws or regulations of other governments, or by laws through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of those assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental funds classify fund balances as follows:

Nonspendable Fund Balances – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Commissioners Court is the highest level of decision-taking authority for the County that can, by adoption of a court order prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the court order remains in place until a similar action is taken (the adoption of another court order) to remove or revise the limitation.

Assigned Fund Balance – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners Court has by court order authorized the county auditor to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the County’s General Fund or as deficits in other governmental funds.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The County fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the County incurs an expenditure and both restricted and unrestricted amounts are available, the County considers restricted amounts to have been spent. When the County incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	American Recovery Grant	2020 CO Bonds	Nonmajor Funds	Total
Nonspendable for:					
Inventory	\$ --	\$ --	\$ --	\$101,873	\$101,873
Restricted for:					
Debt Service	--	--	--	471,072	471,072
Justice Administration	--	--	--	671,783	671,783
Grants	--	172	--	518,617	518,789
Construction	--	--	4,250,483	1,753,766	6,004,249
Other	--	--	--	643,996	643,996
	<u>--</u>	<u>172</u>	<u>4,250,483</u>	<u>4,059,234</u>	<u>8,309,889</u>
Committed to:					
Road and Bridge	--	--	--	2,649,578	2,649,578
Unassigned	4,374,206	--	--	(147,557)	4,226,649
	<u>\$4,374,206</u>	<u>\$172</u>	<u>\$4,250,483</u>	<u>\$6,663,128</u>	<u>\$15,287,989</u>

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds and net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Court fines receivable unavailable to pay for current period expenditures are deferred in the funds, however, the net change in the deferred fines revenue is recognized as revenue in the Statement of Activities." The details of this \$1,522,731 difference are as follows:

County clerk fines	\$250,376
District clerk fines	1,147,151
Justice of the peace fines	<u>125,204</u>
Total	<u>\$1,522,731</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$17,957,486 (including \$2,968,517 in custodial funds). All of the bank balance of \$18,928,975 was covered by federal deposit insurance and collateralized by the pledging financial institution with marketable securities held by an agent in the bank's name.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Investments

As of September 30, 2021, the County had the following investments:

Investment type	Credit Rating	Fair Value	Days to Maturity
Government sponsored investment pool (TexPool)	AAAm*	\$4,678,136	<30
Total Fair Value		<u>\$4,678,136</u>	

* Standard and Poors

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

Credit Risk. State law limits investments as described previously in Note I.E.1.

Concentration of Credit Risk. The County's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the County's total investments.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

TexPool is an external investment pool and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act provide for creation of public funds investments pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The fair value of investments in the pool is independently reviewed monthly. At September 30, 2021 the fair value of the position in TexPool approximates the fair value of the shares.

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	NonMajor and Other	Total
Taxes receivable	<u>\$723,238</u>	<u>\$262,785</u>	<u>\$986,023</u>
Accounts	\$219,203	\$ --	\$219,203
Allowance	<u>(100,000)</u>	<u>--</u>	<u>(100,000)</u>
Net accounts receivable	<u>\$119,203</u>	<u>\$ --</u>	<u>\$119,203</u>
Fines receivable	\$6,948,186	\$ --	\$6,948,186
Allowance	<u>(2,054,572)</u>	<u>--</u>	<u>(2,054,572)</u>
Net fines receivable	<u>\$4,893,614</u>	<u>\$ --</u>	<u>\$4,893,614</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Deferred tax revenue (General Fund)	\$654,585	\$ --	\$654,585
Deferred fines revenue (General Fund)	1,522,731	--	1,522,731
Deferred grant revenue - (American Recovery Program)	--	3,449,089	3,449,089
Deferred tax revenue (NonMajor Funds)	237,916	--	237,916
Total deferred/unearned revenue for governmental funds	<u>\$2,415,232</u>	<u>\$3,449,089</u>	<u>\$5,864,321</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2021:

	Balance 9/30/20	Additions	Retirements	Inventory Adjustment	Balance 9/30/21
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$341,562	\$ --	\$ --	\$ --	\$341,562
Construction in progress	11,058,754	10,847,570	--	--	21,906,324
Total capital assets not being depreciated	<u>11,400,316</u>	<u>10,847,570</u>	<u>--</u>	<u>--</u>	<u>22,247,886</u>
Capital assets, being depreciated:					
Buildings	4,737,000	--	--	--	4,737,000
Infrastructure	37,312,169	1,847,423	(84,693)	(6,830)	39,068,069
Machinery and equipment	7,463,530	1,147,551	(414,755)	--	8,196,326
Total capital assets being depreciated	<u>49,512,699</u>	<u>2,994,974</u>	<u>(499,448)</u>	<u>--</u>	<u>52,001,395</u>
Less accumulated depreciation for:					
Buildings	(3,731,550)	(111,338)	--	--	(3,842,888)
Infrastructure	(18,354,189)	(783,113)	84,693	6,830	(19,045,779)
Machinery and equipment	(5,375,941)	(609,379)	357,834	--	(5,627,486)
Total accumulated depreciation	<u>(27,461,680)</u>	<u>(1,503,830)</u>	<u>442,527</u>	<u>--</u>	<u>(28,516,153)</u>
Total capital assets being depreciated, net	<u>22,051,019</u>	<u>1,491,144</u>	<u>(56,921)</u>	<u>--</u>	<u>23,485,242</u>
Governmental activities capital assets, net	<u>\$33,451,335</u>	<u>\$12,338,714</u>	<u>(\$56,921)</u>	<u>\$ --</u>	<u>\$45,733,128</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General administration	\$38,445
Public facilities	64,464
Public safety	270,107
Public transportation	1,121,530
Health and welfare	9,284
Total depreciation expense - governmental activities	<u>\$1,503,830</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2021 as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Major Funds		
General Fund	\$248,923	\$ --
2017 GO Bonds Construction	--	--
Nonmajor Funds		
County Clerk Vital Statistics	--	1,028
District Court Records Management	--	1,323
Hazard Mitigation Fund	--	25,000
Courthouse Restoration		152,846
Bois D'Arc Lake Reservoir (SO)	--	68,726
Total Governmental Funds	<u>\$248,923</u>	<u>\$248,923</u>

Interfund receivables/payables arise because of overdrafts in pooled cash.

E. Joint Venture

The County participates (20%) with Cooke and Grayson counties in the Cooke, Fannin and Grayson County Juvenile Detention Center. Under the interlocal agreement governing the joint venture, the County shares in the cost of operations, construction and maintenance of the joint venture. The agreement requires maintenance of a minimum fund balance and returns excess assets to the venturers. Separate financial statements of the joint venture are available from the Grayson County Auditor, Sherman, Texas. An equity interest in the joint venture has not been recorded because the terms of the interlocal agreement governing the joint venture provide that, under certain circumstances, withdrawing venturers forfeit all rights, title and interest in property of the joint venture. Following is unaudited summary information of the operations of the joint venture for the year ended September 30, 2021 under the modified accrual basis of accounting:

	<u>Unaudited</u>
Total revenues	\$1,069,866
Total expenses	<u>(1,069,866)</u>
Change in net assets	--
Contributions from joint venturers	675,317
Net assets - September 30, 2020	<u>491,343</u>
Net assets - September 30, 2021	<u>\$1,166,660</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

F. Long-term debt

The County issues general obligation debt (in the form of general obligation bonds, certificates of obligation, contractual obligations, and notes payable) to provide funds for the acquisition and construction of equipment and major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County. General obligation bonded debt of the County is as follows:

\$6,150,000 General Obligation - Series 2017, principal due annually in series through 2042, interest due semi-annually at 3.00% to 4.00%	\$ 5,585,000
\$6,210,000 General Obligation - Series 2018, principal due annually in series through 2044, interest due semi-annually at 3.00% to 4.00%	6,010,000
\$9,860,000 Certificates of Obligation - Series 2020, principal due annually in series through 2045, interest due semi-annually at 3.00% to 4.00%	<u>9,860,000</u>
	<u>\$21,455,000</u>

Annual debt service requirements to maturity for general debt:

Year	Governmental Activities		Total
	Principal	Interest	
2022	\$615,000	\$649,188	\$1,264,188
2023	680,000	626,387	1,306,387
2024	705,000	601,988	1,306,988
2025	720,000	576,862	1,296,862
2026	750,000	551,013	1,301,013
2027-2031	4,130,000	2,357,737	6,487,737
2032-2036	4,795,000	1,712,436	6,507,436
2037-2041	5,530,000	975,494	6,505,494
2042-2045	<u>3,530,000</u>	<u>188,774</u>	<u>3,718,774</u>
	<u>\$21,455,000</u>	<u>\$8,239,879</u>	<u>\$29,694,879</u>

Capital Leases Currently Outstanding:

Purpose	Original Amount	Date Made	Date Due	Interest Rate	Periodic Payment	Balance 9/30/21
Capital Leases						
Voting equipment	\$357,169	3/10/21	3/10/25	2.99%	\$96,088	\$357,169
Capital leases payable						<u>\$357,169</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Annual debt service requirements to maturity for capital leases:

Year	Capital Lease Obligations		Total
	Principal	Interest	
2022	\$85,373	\$10,715	\$96,088
2023	87,934	8,154	96,088
2024	90,572	5,516	96,088
2026	93,290	2,799	96,089
Total	<u>\$357,169</u>	<u>\$27,184</u>	<u>\$384,353</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance 09/30/20	Additions	Retirements	Balance 09/30/21	Due Within One Year
Governmental activities:					
General obligation bonds	\$11,930,000	\$ --	(\$335,000)	\$11,595,000	\$350,000
Certificates of obligation	9,860,000	--	--	9,860,000	265,000
Deferred amounts:					
Unamortized premium	655,687	--	(28,438)	627,249	28,436
Unamortized discount	(218,188)	--	9,358	(208,830)	(9,358)
	<u>22,227,499</u>	<u>--</u>	<u>(354,080)</u>	<u>21,873,419</u>	<u>634,078</u>
Capitalized lease obligation	52,139	357,169	(52,139)	357,169	85,373
Net pension liability	1,062,500	101,253	--	1,163,753	--
Compensated absences	216,880	167,667	(216,880)	167,667	167,667
Governmental activity Long-Term Liabilities	<u>\$23,559,018</u>	<u>\$626,089</u>	<u>(\$623,099)</u>	<u>\$23,562,008</u>	<u>\$887,118</u>

For the governmental activities, claims and judgements and compensated absences are generally liquidated by the General Fund, and the Road and Bridge Funds.

Authorized and Unissued Debt

The County had no authorized but unissued debt at 9/30/21.

Conduit Debt Obligations

Certain revenue bonds entitled the Fannin County Public Facility Corporation Project Revenue Bonds, Series 2008, were issued to provide financial assistance to a nonprofit public corporation to provide funds to finance a project that consists of the development, design, construction, furnishing and equipping of a multi-classification secure detention center on real property in Fannin County. The bonds are secured by the property financed and are payable by the issuer solely from the rental payments, which are in turn payable by the County solely from the project revenues and other funds pledged therefor pursuant to the indenture. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In the fiscal year ended September 30, 2014, the original bonds were

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

refunded with the Fannin County PFC Senior Lien Refunding Bonds, Taxable Series 2014. As of September 30, 2021, the principal amount payable was \$27,060,000.

IV. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County periodically is defendant in various lawsuits. As of September 30, 2021, after consultation with the County's attorney, the County is not aware of any pending or threatened litigation which would have a material effect on the financial statements.

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

C. Retirement Commitments

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-20343.

The plan provisions are adopted by the County commissioners' court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County commissioners' court within the constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Benefits

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees (or their beneficiaries) currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	111
Active employees	150
	<hr/>
	364
	<hr/> <hr/>

3. Contributions

The contribution rates for employees in TCDRS was 7% of employee gross earnings, and the County percentages was 11.51% for October 1, 2020 through December 31, 2020, and 11.56% for January 1, 2021 through September 30, 2021, both as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial N84 cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The County's contributions to TCDRS for the year ended September 30, 2021, were \$662,591 and were equal to the required contributions.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 2.75% (made up of 2.25% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Actuarial assumptions used in the December 31, 2020, valuation were based on the results of actuarial experience studies. These assumptions were first used in the December 31, 2017 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2020 valuation.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and

FANNIN COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2021

best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.25%
Global Equities	2.50%	4.55%
International Equities - Developed	5.00%	4.25%
International Equities - Emerging	6.00%	4.75%
Investment - Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships (MLPs)	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Private equity	25.00%	7.25%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.00%	0.70%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset).

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability(Asset) [a] - (b)
Balance at 12/31/19	\$27,761,826	\$26,699,327	\$1,062,499
Changes for the year:			
Service cost	807,058	0	807,058
Interest on total pension liability	2,256,720	0	2,256,720
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	(770,313)	0	(770,313)
Effect of assumptions changes or inputs	1,655,030	0	1,655,030
Refund of contributions	(38,235)	(38,235)	0
Benefit payments	(1,406,162)	(1,406,162)	0
Administrative expenses	0	(21,295)	21,295
Member contributions	0	422,839	(422,839)
Net investment income	0	2,757,553	(2,757,553)
Contributions - employer	0	695,269	(695,269)
Other	0	(7,122)	7,122
Net changes	2,504,098	2,402,847	101,251
Balance at 12/31/20	<u>\$30,265,924</u>	<u>\$29,102,174</u>	<u>\$1,163,750</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate:

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$34,061,363	\$30,265,924	\$27,069,583
Fiduciary net position	29,102,174	29,102,174	29,102,174
Net Pension Liability (Asset)	<u>\$4,959,189</u>	<u>\$1,163,750</u>	<u>(\$2,032,591)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the County recognized pension expense of \$463,871. At September 30, 2021, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 9/30/21 Expense	Balance of Deferred Inflows 12/31/20	Balance of Deferred Outflows 12/31/20
Investment (gains) or losses	(\$608,993)	12/31/2020	5.0	(\$121,799)	\$487,194	\$ --
	(1,932,461)	12/31/2019	5.0	(386,492)	1,159,477	--
	2,354,906	12/31/2018	5.0	470,981	--	941,963
	(1,348,773)	12/31/2017	5.0	(269,755)	269,754	--
	131,522	12/31/2016	5.0	26,305	--	--
Economic/demographic (gains) or losses	(\$770,313)	12/31/2020	4.0	(192,578)	577,735	--
	101,449	12/31/2019	4.0	25,362	--	50,725
	(182,302)	12/31/2018	4.0	(45,576)	45,574	--
	(51,235)	12/31/2017	4.0	(12,808)	--	--
Assumptions changes or inputs	1,655,030	12/31/2020	4.0	413,758	--	1,241,272
	--	12/31/2019	4.0	--	--	--
	--	12/31/2018	4.0	--	--	--
	142,705	12/31/2017	4.0	35,677	--	--
Employer contributions made subsequent to measurement date				--	--	498,566
				<u>(\$56,925)</u>	<u>\$2,539,734</u>	<u>\$2,732,526</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Inflows/outflows to Be Recognized in Future Years	
Year ended December 31,	
2021	(\$106,096)
2022	209,234
2023	(287,115)
2024	(121,797)
2025	--
	<u>(\$305,774)</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

F. Concentrations of Credit Risk

Taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for filing property tax liens. Fines receivable are due from citizens primarily within the County's boundaries. Risk of loss is reduced by an allowance for uncollectibles and collection policies.

G. Agreement Concerning Development of Reservoir Project

In the year ended September 30, 2019, the County entered into a contract with the North Texas Municipal Water District for reimbursement to the County for anticipated impact to County roads created by the development of the Bois d'Arc Creek reservoir in Fannin County. Terms of the agreement required an initial payment to the County of \$971,263, with eight more annual payments of \$100,000, for a total of \$1,771,263.

H. Implementation of GASB 84

The County implemented GASB 84 for the year ended September 30, 2021. GASB 84 requires that Custodial Funds, previously referred to as Agency Funds, adopt an accrual basis of accounting, and accordingly present a Statement of Net Position (previously referred to as a Statement of Fiduciary Assets and Liabilities), and a Statement of Changes in Net Position. The Statement of Net Position reflects the inflows and outflows of resources for the year and the change in net position. GASB 84 also requires liabilities not payable within the near term be treated as restricted net position. The payroll fund which was previously reported as an agency fund, was deemed as an accounting convenience and is no longer recorded in the financial statements. Implementation of GASB 84 required a restatement of prior year Custodial Funds liabilities of \$2,589,317 to net position.

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Financial Advisory Services
Provided By:



OFFICIAL STATEMENT**Dated: June 28, 2022**

In the opinion of Bond Counsel (named below), assuming continuing compliance by the County (defined below) after the date of initial delivery of the Certificates (defined below) to the Underwriters (defined below) with certain covenants contained in the Order (defined below) and subject to the matters set forth under "TAX MATTERS" herein, interest on the Certificates for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions (1) will be excludable from the gross income of the owners thereof pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date of initial delivery of the Certificates, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. See "TAX MATTERS".

The Issuer has **NOT** designated the Certificates as "Qualified Tax-Exempt Obligations" for financial institutions.

\$10,410,000**FANNIN COUNTY, TEXAS****COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022****Dated Date: July 1, 2022****Due: March 1, as shown on page ii**

The \$10,410,000 Fannin County, Texas (the "County" or the "Issuer") Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Certificates") are being issued pursuant to the Constitution and the general laws of the State of Texas (the "State"), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Local Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended and an order (the "Order") adopted by the Commissioners Court on June 28, 2022. (See "THE CERTIFICATES - Authority for Issuance" herein.)

The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"); such pledge being limited to \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. (See "THE CERTIFICATES - Security for Payment" herein.)

Interest on the Certificates will accrue from July 1, 2022 (the "Dated Date") as shown above and will be payable on March 1, 2023, and on each September 1 and March 1 thereafter, until the earlier of stated maturity or prior redemption, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Certificates will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository (the "Securities Depository"). Book-entry interests in the Certificates will be made available for purchase in the principal amount of \$5,000 or any integral multiple thereof. Purchasers of the Certificates ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Certificates purchased. So long as DTC or its nominee is the registered owner of the Certificates, the principal of and interest on the Certificates will be payable by BOKF, NA, Dallas, Texas, as Paying Agent/Registrar, to DTC, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Certificates. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Proceeds from the sale of the Certificates will be for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto; (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) paying professional services relating to the design, construction, project management, and financing of the aforementioned projects. (See "THE CERTIFICATES - Use of Certificate Proceeds" herein.)

The scheduled payment of principal of and interest on the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Certificates by ASSURED GUARANTY MUNICIPAL CORP. ("AGM" or the "Insurer"). (See "BOND INSURANCE" herein.)

**STATED MATURITY SCHEDULE**

(On Page ii)

The Certificates are offered for delivery, when, as and if issued and received by the initial purchasers named below (the "Underwriters") and subject to the approving opinion of the Attorney General of the State of Texas and the approval of certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel. (See Appendix C – Form of Legal Opinion of Bond Counsel and "OTHER PERTINENT INFORMATION – Legal Opinions and No-Litigation Certificate" herein). Certain matters will be passed upon for the Underwriters by their counsel, Cantu Harden LLP, San Antonio, Texas. It is expected that the Certificates will be available for delivery through DTC on or about July 27, 2022.

BAIRD**ESTRADA HINOJOSA**

\$10,410,000
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

STATED MATURITY SCHEDULE
(Due March 1)

Base CUSIP – 307135^(a)

\$4,655,000 SERIAL CERTIFICATES

Stated Maturity March 1	Principal Amount	Interest Rate (%)	Initial Yield (%)	CUSIP Suffix^(a)
2023	\$100,000	5.000	1.950	GH0
2024	230,000	5.000	2.210	GJ6
2025	245,000	5.000	2.450	GK3
2026	255,000	5.000	2.620	GL1
2027	270,000	5.000	2.710	GM9
2028	280,000	5.000	2.880	GN7
2029	295,000	5.000	3.040	GP2
2030	310,000	5.000	3.170	GQ0
2031	325,000	5.000	3.270	GR8
2032	345,000	5.000	3.380	GS6
2033	360,000	5.000	3.500 ^(b)	GT4
2034	380,000	5.000	3.610 ^(b)	GU1
2035	400,000	5.000	3.690 ^(b)	GV9
2036	420,000	5.000	3.750 ^(b)	GW7
2037	440,000	5.000	3.780 ^(b)	GX5

\$5,755,000 TERM CERTIFICATES

\$2,540,000	4.500%	Term Certificates due March 1, 2042 and priced to yield 4.150% ^(b)	CUSIP Suffix ^(a) GY3
\$3,215,000	5.000%	Term Certificates due March 1, 2047 and priced to yield 4.050% ^(b)	CUSIP Suffix ^(a) GZ0

(Interest to accrue from the Dated Date)

The Issuer reserves the right to redeem the Certificates maturing on and after March 1, 2033, on March 1, 2032, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest as further described herein. Additionally, the Certificates maturing on March 1, 2042 and March 1, 2047 (the "Term Certificates" are also subject to mandatory sinking fund redemption. (See "THE CERTIFICATES – Redemption Provisions" herein.)

^(a)CUSIP numbers are included solely for the convenience of the owners of the Certificates. CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services ("CGS"), managed by FactSet Research Systems, Inc., on behalf of The American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the services provided by CGS. None of the County, the Financial Advisor, or the Underwriters is responsible for the selection or the correctness of the CUSIP numbers set forth herein.

^(b)Yield calculated based on the assumption that the Certificates denoted and sold at a premium will be redeemed on March 1, 2032, the earliest date of redemption for the Certificates, at a price of par plus accrued interest to the date of redemption.

FANNIN COUNTY, TEXAS
101 E. Sam Rayburn Drive, Suite 101
Bonham, Texas 75418
(903) 583-7455
(903) 583-7811 (Fax)

ELECTED OFFICIALS

<u>Name</u>	<u>Title</u>	<u>Date First Elected</u>	<u>Term Expires</u>
Randy Moore	County Judge	01/01/19	12/31/22
Edwina Lane	Commissioner, Precinct 1	01/01/21	12/31/24
A.J. Self	Commissioner, Precinct 2	01/01/19	12/31/22
Jerry Magness	Commissioner, Precinct 3	01/01/13	12/31/24
Dean Lackey	Commissioner, Precinct 4	01/01/19	12/31/22

ADMINISTRATION

<u>Name</u>	<u>Position</u>	<u>Years With The County</u>
Alicia Whipple	County Auditor	5
Tammy Biggar	County Clerk	11
David E. Woodson	County Treasurer	7
Nancy Young	District Clerk	22
Gail Young	Tax Assessor Collector	11

CONSULTANTS AND ADVISORS

Bond Counsel	Norton Rose Fulbright US LLP Austin and San Antonio, Texas
Certified Public Accountants	Rutledge Crain & Company, PC Arlington, Texas
Financial Advisor	SAMCO Capital Markets, Inc. San Antonio, Texas

For Additional Information Please Contact:

The Honorable Randy Moore
 County Judge
Fannin County
 101 E. Sam Rayburn Drive, Suite 101
 Bonham, Texas 75418
 (903) 583-7455 (Phone)
countyjudge@fanninco.net

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afriedman@samcocapital.com

USE OF INFORMATION IN THE OFFICIAL STATEMENT

This Official Statement, which includes the cover page and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information must not be relied upon.

Certain information set forth herein has been provided by sources other than the County that the County believes to be reliable, but the County makes no representation as to the accuracy of such information. Any information and expressions of opinion herein contained are subject to change without notice, and neither the delivery of the Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the County or other matters described herein since the date hereof. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the County's undertaking to provide certain information on a continuing basis.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the Issuer and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

The Underwriters have provided the following statement for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with, and a part of, their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.

The agreements of the County and others related to the Certificates are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Certificates is to be construed as constituting an agreement with the Underwriters of the Certificates. INVESTORS SHOULD READ THE ENTIRE OFFICIAL STATEMENT, INCLUDING ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

Assured Guaranty Municipal Corp. ("AGM" or the "Insurer") makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "BOND INSURANCE" and Appendix E – Specimen Municipal Bond Insurance Policy'.

None of the County, its Financial Advisor, or the Underwriters makes any representation or warranty with respect to the information contained in this Official Statement regarding either the Depository Trust Company or its book-entry-only system, as such information has been provided by DTC, or the Bond Insurer, if any, and its municipal bond insurance policy. THE CERTIFICATES ARE EXEMPT FROM REGISTRATION WITH THE SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE CERTIFICATES IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE SECURITIES HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

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The cover page, subsequent pages hereof and appendices attached hereto, are part of this Official Statement.

SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Certificates to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without the entire Official Statement.

The Issuer	Fannin County, Texas (the “County” or “Issuer”) is a political subdivision of the State of Texas and operates under the statutes and the Constitution of the State of Texas. The 2020 census for the County was 35,662. The 2021 estimated population is 36,172. (See “Appendix B - General Information Regarding Fannin County and the City of Bonham, Texas” herein.)
The Certificates	The Certificates are being issued pursuant to the Constitution and general laws of the State of Texas (the “State”), including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and an order (the “Order”) adopted by the Commissioners Court on June 28, 2022. (See “THE CERTIFICATES - Authority for Issuance” herein.)
Paying Agent/Registrar	The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas.
Security	The Certificates constitute direct obligations of the Issuer payable from an annual ad valorem tax levied against all taxable property in the County, within the limits prescribed by law and are additionally payable from a lien on and limited pledge of the net revenues (the “Net Revenues”) derived from the operation of the County’s library system (the “System”); such pledge being limited to \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County. (See “THE CERTIFICATES - Security for Payment” herein.)
Redemption Provisions of the Certificates	The Issuer reserves the right, at its sole option, to redeem the Certificates stated to mature on and after March 1, 2033, on March 1, 2032, or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest to the date fixed for redemption. Additionally, the Certificates maturing on March 1, 2042 and March 1, 2047 (the “Term Certificates”) are also subject to mandatory sinking fund redemption. (See “THE CERTIFICATES - Redemption Provisions” herein.)
Tax Matters	In the opinion of Bond Counsel, the interest on the Certificates will be excludable from gross income for federal tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described herein under “TAX MATTERS” and will not be included in computing the alternative minimum taxable income of the owners thereof. (See “TAX MATTERS” for a discussion of the Opinion of Bond Counsel and “APPENDIX C - Form of Legal Opinion of Bond Counsel” herein.)
NOT Qualified Tax-Exempt Obligations	The Issuer has NOT designated the Certificates as “Qualified Tax-Exempt Obligations” for financial institutions. (See “TAX MATTERS” and, “APPENDIX C – Form of Legal Opinion of Bond Counsel” herein.)
Use of Certificate Proceeds	Proceeds from the sale of the Certificates will be used for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) paying professional services relating to the design, construction, project management, and financing of the aforementioned projects. (See “THE CERTIFICATES - Use of Certificate Proceeds” herein.)
Book-Entry-Only System	The Issuer intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York described herein. No physical delivery of the Certificates will be made to the beneficial owners of the Certificates. Such Book-Entry-Only System may affect the method and timing of payments on the Certificates and the manner in which the Certificates may be transferred. (See “BOOK-ENTRY-ONLY SYSTEM” herein.)
Bond Insurance	The scheduled payment of principal of and interest on the Certificates when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Certificates by Assured Guaranty Municipal Corp. (“AGM” or the “Insurer”). (See “BOND INSURANCE” and “BOND INSURANCE GENERAL RISKS” herein.)

Ratings	S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned an insured rating of "AA" ("stable outlook") to the Certificates with the understanding that, concurrently with the delivery of the Certificates, a municipal bond insurance policy will be issued by AGM. The County has received an underlying unenhanced rating of "AA-" (Stable Outlook) from S&P. (See "OTHER PERTINENT INFORMATION - Ratings" herein.)
Issuance of Additional Debt	The County does not anticipate the issuance of additional debt within the next twenty-four (24) months.
Payment Record	The County has never defaulted on the payment of its tax-supported indebtedness.
Delivery	When issued, anticipated on or about July 27, 2022.
Legality	Delivery of the Certificates is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel.

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OFFICIAL STATEMENT
relating to
\$10,410,000
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

INTRODUCTORY STATEMENT

This Official Statement provides certain information in connection with the issuance by Fannin County, Texas (the "County" or the "Issuer") of its \$10,410,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Certificates") identified on the cover page hereof.

The Issuer is a political subdivision of the State of Texas (the "State") and operates under the statutes and the Constitution of the State. The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and an order (the "Order") adopted by the Commissioners Court on June 28, 2022. (See "THE CERTIFICATES - Authority for Issuance" herein.)

Unless otherwise indicated, capitalized terms used in this Official Statement have the same meanings assigned to such terms in the Order. Included in this Official Statement are descriptions of the Certificates and certain information about the Issuer and its finances. ***ALL DESCRIPTIONS OF DOCUMENTS CONTAINED HEREIN ARE SUMMARIES ONLY AND ARE QUALIFIED IN THEIR ENTIRETY BY REFERENCE TO EACH SUCH DOCUMENT.*** Copies of such documents may be obtained from the Issuer or the Financial Advisor noted on page iii hereof by email or upon payment of reasonable copying, handling, and delivery charges.

All financial and other information presented in this Official Statement has been provided by the County from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in financial position or other affairs of the County. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of the Official Statement pertaining to the Certificates will be filed with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" herein for a description of the County's undertaking to provide certain information on a continuing basis.

INFECTIOUS DISEASE OUTBREAK – COVID-19

The outbreak of COVID-19, a respiratory disease caused by a new strain of coronavirus, has been characterized as a pandemic (the "Pandemic") by the World Health Organization and is currently affecting many parts of the world, including the United States and the State of Texas (the "State"). On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. Subsequently, the President's Coronavirus Guidelines for America and the United States Centers for Disease Control and Prevention called upon Americans to take actions to slow the spread of COVID-19 in the United States.

On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in the State in response to the Pandemic. Pursuant to Chapter 418 of the Texas Government Code, the Governor has broad authority to respond to disasters, including suspending any regulatory statute prescribing the procedures for conducting State business or any order or rule of a State agency that would in any way prevent, hinder, or delay necessary action in coping with the disaster, and issuing executive orders that have the force and effect of law. The Governor has since issued a number of executive orders relating to COVID-19 preparedness and mitigation. Under executive orders in effect as of the date of this Official Statement, there are no COVID-19 related operating limits for any business or other establishment. The Governor retains the right to impose additional restrictions on activities.

Additional information regarding executive orders issued by the Governor is accessible on the website of the Governor at <https://gov.texas.gov/>. Neither the information on (nor accessed through) such website of the Governor is incorporated by reference, either expressly or by implication, into this Official Statement.

The Pandemic has negatively affected travel, commerce, and financial markets globally, and is widely expected to continue to negatively affect economic output worldwide and within the County. These negative impacts may reduce or otherwise negatively affect ad valorem tax revenues which are pledged as security for the Certificates. The County, however, cannot predict what effect the continued spread of COVID-19 will have on the finances or operations and maintenance of the County.

In May, 2021, the County received \$3,449,089 of Coronavirus Relief Fund (CRF) funding provided under the Consolidated Appropriations Act of 2021 passed by the U.S. Congress on December 21, 2020 and in May, 2022 the County received an additional \$3,449,089 of CRF funding provided by the American Rescue Plan Act of 2021. Per Treasury Guidelines, entities receiving less than \$10,000,000 can use the money as deemed necessary by the Commissions' Court.

The County continues to monitor the spread of COVID-19 and is working with local, state, and national agencies to address the potential impact of the Pandemic upon the County. While the potential impact of the Pandemic on the County cannot be quantified at this time, the continued outbreak of COVID-19 could have an adverse effect on the County's operations and financial condition, and the effect could be material.

THE CERTIFICATES

General Description of the Certificates

The Certificates are dated July 1, 2022 (the "Dated Date"). The Certificates are stated to mature on March 1 in the years and in the principal amounts set forth on page ii hereof. The Certificates shall bear interest from their Dated Date on the unpaid principal amounts, and the amount of interest to be paid with respect to each payment period shall be computed on the basis of a 360-day year consisting of twelve 30-day months. Interest on the Certificates will be payable on March 1, 2023, and on each September 1 and March 1 (each, an "Interest Payment Date") thereafter until the earlier of stated maturity or prior redemption. Principal is payable at the designated offices of the "Paying Agent/Registrar" for the Certificates, initially BOKF, NA, Dallas, Texas. Interest on the Certificates shall be paid to the registered owners whose names appear on the registration books of the Paying Agent/Registrar at the close of business on the Record Date (as hereinafter defined) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk of, the registered owner. If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to be closed, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Initially, the Certificates will be registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described below. No physical delivery of the Certificates will be made to the Beneficial Owners. Principal of, premium, if any, and interest on the Certificates will be payable by the Paying Agent/Registrar to Cede & Co., which will distribute the amounts received to the appropriate DTC Participants, who shall in turn make payment to the Beneficial Owners of the Certificates. Such Book-Entry-Only System may change the method and timing of payment for the Certificates and the method of transfer. See "BOOK-ENTRY-ONLY SYSTEM" below for a more complete description of such System.

Authority for Issuance

The Certificates are being issued pursuant to the Constitution and general laws of the State, including particularly Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended, and the Order adopted by the Commissioners Court on June 28, 2022.

Security for Payment

The Certificates constitute direct obligations of the County payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain of the net revenues (the "Net Revenues") derived from the operation of the County's library system (the "System"), such pledge being limited to \$1,000 and being junior and subordinate to the lien on and pledge of the Net Revenues securing the payment of obligations senior thereto, if any, hereafter issued by the County.

Use of Certificate Proceeds

Proceeds from the sale of the Certificates will be for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) paying professional services relating to the design, construction, project management, and financing of the aforementioned projects.

Sources and Uses

Sources

Par Amount of the Certificates	\$10,410,000.00
Accrued Interest on the Certificates	36,674.44
Reoffering Premium	<u>787,989.35</u>
Total Sources of Funds	<u>\$11,234,663.79</u>

Uses

Project Fund Deposit	\$11,000,000.00
Underwriters' Discount	59,328.75
Certificate Fund Deposit (Accrued Interest)	36,674.44
Costs of Issuance (including bond insurance premium)	<u>138,660.60</u>
Total Uses	<u>\$11,234,663.79</u>

Redemption Provisions of the Certificates

Optional Redemption. The Issuer reserves the right, at its sole option, to redeem Certificates stated to mature, on or after March 1, 2033, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof on March 1, 2032, or any date thereafter, at the par value thereof plus accrued interest to the date fixed for redemption. If less than all of the Certificates within a stated maturity are to be redeemed, the particular Certificates to be redeemed shall be selected by lot or by other customary random method by the Paying Agent/Registrar.

Mandatory Sinking Fund Redemption: The Certificates maturing March 1, 2042 and March 1, 2047 (the "Term Certificates") are also subject to mandatory redemption prior to their stated maturity in part and by lot, at the redemption prices equal to the principal amounts thereof, plus accrued interest thereon to the redemption dates, on March 1, in the years and principal amounts shown below:

Term Certificates to Mature on		Term Certificates to Mature on	
March 1, 2042		March 1, 2047	
Year	Principal Amount	Year	Principal Amount
2038	\$465,000	2043	\$580,000
2039	485,000	2044	610,000
2040	505,000	2045	640,000
2041	530,000	2046	675,000
2042*	555,000	2047*	710,000

*Payable at Stated Maturity

Approximately forty-five (45) days prior to each mandatory redemption date for the Term Certificates, the Paying Agent/Registrar shall select by lot the numbers of the Term Certificates within the applicable Stated Maturity to be redeemed on the next following March 1 from money set aside for that purpose in the Certificate Fund. Any Term Certificates not selected for prior redemption shall be paid on the date of their stated maturity. The principal amount of a Term Certificate required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Certificates of such stated maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofore credited against a mandatory redemption requirement.

Notice of Redemption

At least 30 days prior to the date fixed for any redemption of any Certificates or portions thereof prior to stated maturity, the Issuer shall cause notice of such redemption to be sent by United States mail, first-class postage prepaid, to the registered owner of each Certificate or a portion thereof to be redeemed at its address as it appeared on the registration books of the Paying Agent/Registrar on the day such notice of redemption is mailed. 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 Certificates or portions thereof which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Certificates or portions thereof which 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.

ANY NOTICE OF REDEMPTION SO MAILED SHALL BE CONCLUSIVELY PRESUMED TO HAVE BEEN DULY GIVEN IRRESPECTIVE OF WHETHER ONE OR MORE CERTIFICATEHOLDERS FAILED TO RECEIVE SUCH NOTICE, AND, PROVIDED THAT PROVISION FOR PAYMENT OF THE REDEMPTION PRICE IS MADE AND ANY OTHER CONDITIONS TO REDEMPTION ARE SATISFIED, INTEREST ON THE REDEEMED CERTIFICATES SHALL CEASE TO ACCRUE FROM AND AFTER SUCH REDEMPTION DATE NOTWITHSTANDING THAT A CERTIFICATE HAS NOT BEEN PRESENTED FOR PAYMENT.

Certificates of a denomination larger than \$5,000 may be redeemed in part (\$5,000 or any integral multiple thereof). Any Certificate to be partially redeemed must be surrendered in exchange for one or more new Certificates of the same stated maturity and interest rate for the unredeemed portion of the principal. In the event of redemption of less than all of the Certificates of a particular stated maturity, the Paying Agent/Registrar is required to select the Certificates of such stated maturity to be redeemed by such random method as it deems fair and appropriate and which may provide for the selection for redemption of portions (equal to any authorized denomination) of the Certificates of a denomination larger than \$5,000.

The Paying Agent/Registrar and the Issuer, so long as a Book-Entry-Only System is used for the Certificates, will send any notice of redemption, notice of proposed amendment to the Order or other notices with respect to the Certificates only to DTC. Any failure by DTC to advise any DTC participant, or of any DTC participant or indirect participant to notify the Beneficial Owner, will not affect the validity of the redemption of the Certificates called for redemption or any other action premised on any such notice. Redemption of portions of the Certificates by the Issuer will reduce the outstanding principal amount of such Certificates held by DTC. In such event, DTC may implement, through its Book-Entry-Only System, a redemption of such Certificates held for the account of DTC participants in accordance with its rules or other agreements with DTC participants and then DTC participants and indirect participants may implement a redemption of such Certificates from the Beneficial Owners. Any such selection of Certificates to be redeemed will not be governed by the Order and will not be conducted by the Issuer or the Paying Agent/Registrar. Neither the Issuer or the Paying Agent/Registrar will have any responsibility to DTC participants, indirect participants or the persons for whom DTC participants act as nominees, with respect to the payments on Certificates or the providing of notice to DTC participants, indirect participants, or Beneficial Owners of the selection of portions of the Certificates for redemption. (See "BOOK-ENTRY-ONLY SYSTEM" herein.)

Payment Record

The County has never defaulted on the payment of its tax-supported indebtedness.

Legality

The Certificates are offered when, as and if issued, subject to the approval by the Attorney General of the State of Texas and the rendering of opinions as to certain legal matters by Norton Rose Fulbright US LLP, Austin and San Antonio, Texas ("Bond Counsel"). The legal opinion of Bond Counsel will accompany the Certificates to be deposited with DTC or will be printed on the Certificates should the Book-Entry-Only System be discontinued. A form of the legal opinion of Bond Counsel appears in APPENDIX C attached hereto.

Defeasance

The Order provides for the defeasance of the Certificates when payment of the principal amount of the Certificates plus interest accrued on the Certificates to their due date (whether such due date be by reason of stated maturity, redemption, or otherwise), is provided by irrevocably depositing with a paying agent, or other authorized escrow agent, in trust (1) money in an amount sufficient to make such payment, and/or (2) Government Securities (defined below), to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Certificates. The foregoing deposits shall be certified as to sufficiency by an independent accounting firm, the County's Financial Advisor, the Paying Agent/Registrar, or such other qualified financial institution (as provided in the Order). The County has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Government Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the County moneys in excess of the amount required for such defeasance. The Order provides that "Government Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Certificates. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) 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 of the purchase thereof, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that on the date the governing body of the County adopts or approves the proceedings authorizing the financial arrangements have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any additional securities and obligations hereafter authorized by State law as eligible for use to accomplish the discharge of obligations such as the Certificates. There is no assurance that the ratings for U.S. Treasury securities acquired to defease any Certificates, or those for any other Government Securities, will be maintained at any particular rating category. Further, there is no assurance that current State law will not be amended in a manner that expands or contracts the list of permissible defeasance securities (such list consisting of these securities identified in clauses (a) through (c)

above), or any rating requirement thereon, that may be purchased with defeasance proceeds relating to the Certificates ("Defeasance Proceeds"), though the County has reserved the right to utilize any additional securities for such purpose in the event the aforementioned list is expanded. Because the Order does not contractually limit such permissible defeasance securities and expressly recognizes the ability of the County to use lawfully available Defeasance Proceeds to defease all or any portion of the Certificates, registered owners of Certificates are deemed to have consented to the use of Defeasance Proceeds to purchase such other defeasance securities, notwithstanding the fact that such defeasance securities may not be of the same investment quality as those currently identified under State law as permissible defeasance securities.

Upon such deposit as described above, such Certificates shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Certificates have been made as described above, all rights of the County to initiate proceedings to call the Certificates for redemption or take any other action amending the terms of the Certificates are extinguished; provided, however, the County has the option, to be exercised at the time of the defeasance of the Certificates, to call for redemption at an earlier date those Certificates which have been defeased to their maturity date, if the County (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Certificates for redemption, (ii) gives notice of the reservation of that right to the owners of the Certificates immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Amendments

The Issuer may amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the Issuer may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the registered owners of all of the Certificates affected, no such amendment, addition, or rescission may (1) change the date specified as the date on which the principal of or any installment of interest on any Certificate is due and payable, reduce the principal amount thereof, or the rate of interest thereon, change the place or places at or the coin or currency in which any Certificate or interest thereon is payable, change the redemption price or amount, or in any other way modify the terms of payment of the principal of or interest on the Certificates, (2) give any preference to any Certificate over any other Certificate, or (3) reduce the aggregate principal amount of Certificates required for consent to any amendment, addition, or waiver.

Default and Remedies

The Order does not specify events of default with respect to the Certificates. If the County defaults in the payment of principal, interest, or redemption price on the Certificates when due, or if it fails to make payments into any fund or funds created in the Order, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel County officials to carry out their legally imposed duties with respect to the Certificates if there is no other available remedy at law to compel performance of the Certificates or Order and the County's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Certificates in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Certificateholders upon any failure of the County to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners.

On June 30, 2006, the Texas Supreme Court ruled in *Tooke v. City of Mexia* 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Because it is unclear whether the Texas Legislature has effectively waived the County's sovereign immunity from a suit for money damages, Certificateholders may not be able to bring such a suit against the County for breach of the Certificates or Order covenants. Even if a judgment against the County could be obtained, it could not be enforced by direct levy and execution against the County's property. Further, the registered owners cannot themselves foreclose on property within the County or sell property within the County to enforce the tax lien on taxable property to pay the principal of and interest on the Certificates. Furthermore, the County is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9 and the pledge of a specific source of revenues, such as Net Revenues, is subject to judicial discretion. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or certificateholders of an entity which has sought protection under Chapter 9. Therefore, should the County avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court), and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Certificates are qualified with respect to the customary rights of debtors relative to their creditors and general principles of equity that permit the exercise of judicial discretion.

Initially, the only registered owner of the Certificates will be Cede & Co., as nominee of DTC. See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the duties of DTC with regard to ownership of the Certificates.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Certificates is BOKF, NA, Dallas, Texas. In the Order, the Issuer retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the Issuer, the new Paying Agent/Registrar shall accept the previous Paying Agent/Registrar's records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar, selected at the sole discretion of the Issuer, shall be a bank, trust company, financial institution or other entity qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon a change in the Paying Agent/Registrar for the Certificates, the Issuer agrees to promptly cause written notice thereof to be sent to each registered owner of the Certificates by United States mail, first-class, postage prepaid.

The Certificates will be issued in fully registered form in multiples of \$5,000 for any one stated maturity, and principal and semiannual interest will be paid by the Paying Agent/Registrar. Interest will be paid by check or draft mailed on each interest payment date by the Paying Agent/Registrar to the registered owner at the last known address as it appears on the Paying Agent/Registrar's books or by such other method, acceptable to the Paying Agent/Registrar, requested by and at the risk and expense of the registered owner. Principal will be paid to the registered owner at stated maturity or prior redemption upon presentation to the Paying Agent/Registrar; provided, however, that so long as Cede & Co. (or other DTC nominee) is the registered owner of the Certificates, all payments will be made as described under "Book-Entry-Only System" herein. If the date for the payment of the principal or interest on the Certificates shall be a Saturday, Sunday, a legal holiday or a day when banking institutions in the city where the designated payment/transfer office of the Paying Agent/Registrar is located are authorized to close, then the date for such payment shall be the next succeeding day which is not such a day, and payment on such date shall have the same force and effect as if made on the date payment was due.

Record Date

The record date ("Record Date") for determining the party to whom interest is payable on a Certificate on any Interest Payment Date means the fifteenth day of the month next preceding such Interest Payment Date.

In the event of a non-payment of interest on an Interest 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 (the "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 appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Future Registration

In the event the Certificates are not in the Book-Entry-Only System, the Certificates will be printed and delivered to the registered owners thereof, and thereafter the Certificates may be transferred, registered, and assigned on the registration books of the Paying Agent/Registrar only upon presentation and surrender thereof to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Certificate may be assigned by the execution of an assignment form on the Certificate or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Certificate or Certificates will be delivered by the Paying Agent/Registrar in lieu of the Certificates being transferred or exchanged at the corporate trust office of the Paying Agent/Registrar, or sent by United States mail, first class postage prepaid, to the new registered owner at the registered owner's request, risk, and expense. New Certificates issued in an exchange or transfer of Certificates will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Certificates to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Certificates registered and delivered in an exchange or transfer shall be in denominations of \$5,000 for any one stated maturity or any integral multiple thereof and for a like aggregate principal amount and rate of interest as the Certificate or Certificates surrendered for exchange or transfer. (See "BOOK-ENTRY-ONLY SYSTEM" herein for a description of the system initially to be utilized in regard to ownership and transferability of the Certificates.)

Limitation on Transferability

Neither the County nor the Paying Agent/Registrar shall 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 Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, that such limitation shall not apply to uncalled portions of a Certificate redeemed in part.

Replacement Certificates

The Issuer has agreed to replace mutilated, destroyed, lost, or stolen Certificates upon surrender of the mutilated Certificates to the Paying Agent/Registrar, or receipt of satisfactory evidence of authenticity of ownership thereof and of such destruction, loss, or theft, and receipt by the Issuer and Paying Agent/Registrar of security or indemnity as may be required by either of them to hold them harmless. The Issuer may require payment of taxes, governmental charges, and other expenses in connection with any such replacement. The person requesting the authentication of and delivery of a replacement Certificate must comply with such other reasonable regulations as the Paying Agent/Registrar may prescribe and pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

BOND INSURANCE

BOND INSURANCE POLICY

Concurrently with the issuance of the Certificates, Assured Guaranty Municipal Corp. ("AGM" or the "Insurer") will issue its Municipal Bond Insurance Policy for the Certificates (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Certificates when due as set forth in the form of the Policy included as Appendix E to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

ASSURED GUARANTY MUNICIPAL CORP.

AGM is a New York domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. ("AGL"), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO". AGL, through its operating subsidiaries, provides credit enhancement products to the U.S. and international public finance (including infrastructure) and structured finance markets and asset management services. Neither AGL nor any of its shareholders or affiliates, other than AGM, is obligated to pay any debts of AGM or any claims under any insurance policy issued by AGM.

AGM's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. ("KBRA") and "A1" (stable outlook) by Moody's Investors Service, Inc. ("Moody's"). Each rating of AGM should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AGM in its sole discretion. In addition, the rating agencies may at any time change AGM's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AGM. AGM only guarantees scheduled principal and scheduled interest payments payable by the issuer of certificates insured by AGM on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Current Financial Strength Ratings

On March 18, 2022, Moody's announced it had upgraded AGM's insurance financial strength rating to "A1" (stable outlook) from "A2" (stable outlook). AGM can give no assurance as to any further ratings action that Moody's may take.

On October 20, 2021, KBRA announced it had affirmed AGM's insurance financial strength rating of "AA+" (stable outlook). AGM can give no assurance as to any further ratings action that KBRA may take.

On July 8, 2021, S&P announced it had affirmed AGM's financial strength rating of "AA" (stable outlook). AGM can give no assurance as to any further ratings action that S&P may take.

For more information regarding AGM's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2021.

Capitalization of AGM

At March 31, 2022:

The policyholders' surplus of AGM was approximately \$2,909 million.

The contingency reserve of AGM was approximately \$893 million.

The net unearned premium reserves and net deferred ceding commission income of AGM and its subsidiaries (as described below) were approximately \$2,116 million. Such amount includes (i) 100% of the net unearned premium reserve and deferred ceding commission income of AGM, and (ii) the net unearned premium reserves and net deferred ceding commissions of AGM's wholly owned subsidiaries Assured Guaranty UK Limited ("AGUK") and Assured Guaranty (Europe) SA ("AGE").

The policyholders' surplus of AGM and the contingency reserves, net unearned premium reserves and deferred ceding commission income of AGM were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the "SEC") that relate to AGM are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

- (i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2021 (filed by AGL with the SEC on February 25, 2022); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2022 (filed by AGL with the SEC on May 6, 2022).

All information relating to AGM included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Certificates shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at <http://www.sec.gov>, at AGL's website at <http://www.assuredguaranty.com>, or will be provided upon request to Assured Guaranty Municipal Corp.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AGM included herein under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**" or included in a document incorporated by reference herein (collectively, the "AGM Information") shall be modified or superseded to the extent that any subsequently included AGM Information (either directly or through incorporation by reference) modifies or supersedes such previously included AGM Information. Any AGM Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AGM makes no representation regarding the Certificates or the advisability of investing in the Certificates. In addition, AGM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding AGM supplied by AGM and presented under the heading "**BOND INSURANCE**".

BOND INSURANCE GENERAL RISKS

General

The County has obtained a commitment from the Insurer to provide the Policy relating to the Certificates. The following are risk factors relating to the bond insurance.

In the event of default of the scheduled payment of principal of or interest on the Certificates when all or a portion thereof becomes due, any owner of the Certificates shall have a claim under the Policy for such payments. The payment of principal and interest in connection with mandatory or optional prepayment of the Certificates by the County which is recovered by the County from the Beneficial Owners as a voidable preference under applicable bankruptcy law is covered by the Policy; however, such payments will be made by the Insurer at such time and in such amounts as would have been due absent such prepayment by the County (unless the Insurer chooses to pay such amounts at an earlier date). Payment of principal of and interest on the Certificates is not subject to acceleration, but other legal remedies upon the occurrence of non-payment do exist (see "THE CERTIFICATES - Default and Remedies"). The Insurer may reserve the right to direct the pursuit of available remedies, and, in addition, may reserve the right to consent to any remedies available to and requested by the Beneficial Owners.

In the event the Insurer is unable to make payment of principal and interest as such payments become due under the Policy, the Certificates are payable from the ad valorem tax levied, within the limitations prescribed by law, on all taxable property located within the County as further described under "THE CERTIFICATES – Security for Payment". In the event the Insurer becomes obligated to make payments with respect to the Certificates, no assurance is given that such event will not adversely affect the market price or the marketability (liquidity) of the Certificates.

If a Policy is acquired, the enhanced long-term rating on the Certificates will be dependent on the financial strength of the Insurer and its claims paying ability. The Insurer's financial strength and claims paying ability are predicated upon a number of factors which could change over time. No assurance can be given that the long-term ratings of the Insurer and of the rating on the Certificates, whether or not subject to the Policy, will not be subject to downgrade and such event could adversely affect the market price or the marketability (liquidity) for the Certificates. (See the disclosure described in "OTHER PERTINENT INFORMATION – Ratings" herein.)

The obligations of the Insurer under the Policy are general obligations of the Insurer and in an event of default by the Insurer, the remedies available may be limited by applicable bankruptcy law. None of the County, the Underwriters, or the County's Financial Advisor have made an independent investigation into the claims paying ability of the Insurer and no assurance or representation regarding the financial strength or projected financial strength of the Insurer is given.

Claims-Paying Ability and Financial Strength of Municipal Bond Insurers

Moody's Investor Services, Inc., S&P Global Ratings and Fitch Ratings, Inc. (the "Rating Agencies") have, in recent years, downgraded and/or placed on negative watch the claims-paying and financial strength of many providers of municipal bond insurance. Additional downgrades or negative changes in the rating outlook for all bond insurers are possible. In addition, recent events in the credit markets have had substantial negative effects on the bond insurance business. These developments could be viewed as having a material adverse effect on the claims-paying ability of such bond insurers, including any bond insurer of the Certificates. Thus, when making an investment decision, potential investors should carefully consider the ability of the County to pay principal and interest on the Certificates and the claims-paying ability of any such bond insurer, particularly over the life of the investment.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Certificates is to be transferred and how the principal of, premium, if any, and interest on the Certificates are to be paid to and credited by DTC while the Certificates are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The County, the Financial Advisor, and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The County cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Certificates, or redemption or other notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Certificates), or redemption or other notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission (the "SEC"), and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.

DTC will act as securities depository for the Certificates. The Certificates will be issued as fully-registered Certificates registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Certificate will be issued for each maturity of the Certificates, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, 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 pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). Direct Participants and Indirect Participants are jointly referred to as "Participants". DTC has a S&P Global Ratings rating of "AA+". The DTC Rules applicable to its Participants are on file with the SEC. More information about DTC can be found at www.dtcc.com.

Purchases of Certificates under the DTC system must be made by or through Direct Participants, which will receive a credit for the Certificates on DTC's records. The ownership interest of each actual Underwriters of each Certificate ("Beneficial Owner") is in turn to be recorded on the Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Participant through which the Beneficial Owner entered into the transaction.

Transfers of ownership interests in the Certificates are to be accomplished by entries made on the books of Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in Certificates, except in the event that use of the book-entry system for the Certificates is discontinued.

To facilitate subsequent transfers, all Certificates deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Certificates with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in Beneficial Ownership. DTC has no knowledge of the actual Beneficial Owners of the Certificates; DTC's records reflect only the identity of the Direct Participants to whose accounts such Certificates are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Certificates may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Certificates, such as redemptions, tenders, defaults, and proposed amendments to the Certificate documents. For example, Beneficial Owners of Certificates may wish to ascertain that the nominee holding the Certificates for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Certificates within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Certificates unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the County as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Certificates are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal, and interest payments on the Certificates will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the County or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the County, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, principal, and interest payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the County or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Certificates at any time by giving reasonable notice to Issuer or Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered. The Issuer may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates will be printed and delivered to the holder of such Certificates and will be subject to transfer, exchange and registration provisions as set forth in the Ordinance and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" hereinabove.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the County, the Financial Advisor, and the Underwriters believe to be reliable, but none of the County, the Financial Advisor, or the Underwriters take responsibility for the accuracy thereof.

So long as Cede & Co. is the registered owner of the Certificates, the Issuer will have no obligation or responsibility to the DTC, Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Certificates are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Certificates, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

Effect of Termination of Book-Entry-Only System

In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the County, printed certificates representing the Certificates will be issued to the holders and the Certificates will be subject to transfer, exchange and registration provisions as set forth in the Order and summarized under "REGISTRATION, TRANSFER AND EXCHANGE" herein.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE ISSUER

The County invests its investable funds in investments authorized by State law and in accordance with investment policies approved and reviewed annually by the Commissioners Court of the County. Both State law and the County's investment policies are subject to change.

Legal Investments

Under State law and subject to certain limitations, the County is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies and instrumentalities; (3) collateralized mortgage obligations issued and secured by a federal agency or instrumentality of the United States; (4) other obligations unconditionally guaranteed or insured by the State of Texas or the United States or their respective agencies and instrumentalities; (5) "A" or better rated obligations of states, agencies, counties, cities, and other political subdivisions of any state; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) federally insured interest-bearing bank deposits, brokered pools of such deposits, and collateralized certificates of deposit and share certificates; (8) fully collateralized United States government securities repurchase agreements; (9) one-year or shorter securities lending agreements secured by obligations described in clauses (1) through (7) above or (11) through (14) below or an irrevocable letter of credit issued by an "A" or better rated state or national bank; (10) 270-day or shorter bankers' acceptances, if the short-term obligations of the accepting bank or its holding company are rated at least "A-1" or "P-1"; (11) commercial paper rated at least "A-1" or "P-1"; (12) SEC-registered no-load money market mutual funds that are subject to SEC Rule 2a-7; (13) SEC-registered no-load mutual funds that have an average weighted maturity of less than two years; (14) "AAA" or "AAAm"-rated investment pools that invest solely in investments described above; and (15) in the case of bond proceeds, guaranteed investment contracts that are secured by obligations described in clauses (1) through (7) above and, except for debt service funds and reserves, have a term of 5 years or less.

The County may not, however, invest in (1) interest only obligations, or non-interest bearing principal obligations, stripped from mortgage-backed securities; (2) collateralized mortgage obligations that have a remaining term that exceeds 10 years; and (3) collateralized mortgage obligations that bear interest at an index rate that adjusts opposite to the changes in a market index. In addition, the County may not invest more than 15% of its monthly average fund balance (excluding bond proceeds and debt service funds and reserves) in mutual funds described in clause (13) above or make an investment in any mutual fund that exceeds 10% of the fund's total assets.

Except as stated above or inconsistent with its investment policy, the County may invest in obligations of any duration without regard to their credit rating, if any. If an obligation ceases to qualify as an eligible investment after it has been purchased, the County is not required to liquidate the investment unless it no longer carries a required rating, in which case the County is required to take prudent measures to liquidate the investment that are consistent with its investment policy.

Investment Policies

Under State law, the County is required to adopt and annually review written investment policies and must invest its funds in accordance with its policies. The policies must identify eligible investments and address investment diversification, yield, maturity, and the quality and capability of investment management. For investments whose eligibility is rating dependent, the policies must adopt procedures to monitor ratings and liquidate investments if and when required. The policies must require that all investment transactions settle on a delivery versus payment basis. The County is required to adopt a written investment strategy for each fund group to achieve investment objectives in the following order of priority: (1) suitability, (2) preservation and safety of principal, (3) liquidity, (4) marketability, (5) diversification, and (6) yield.

State law requires the County's investments be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." The County is required to perform an annual audit of the management controls on investments and compliance with its investment policies and provide regular training for its investment officers.

Current Investments

State law does not require the Issuer to periodically mark its investments to market price, and the Issuer does not do so, other than annually upon the conclusion of each fiscal year, for the purpose of compliance with applicable accounting policies concerning the contents of the Issuer's audited financial statements. Given the nature of its investments, the Issuer does not believe that the market value of its investments differs materially from book value.

As of May 4, 2022, the Issuer's investable funds were invested as shown below:

<u>Fund and Investment Type</u>	<u>Governmental Operating Fund</u>	<u>Percentage of Total Portfolio</u>
Money Market Funds	\$ 228,791.80	5.85%
TexPool/TexStar	3,679,307.44	94.02%
ICS (Instant Cash Sweep)	<u>5,291.33</u>	<u>0.14%</u>
Total Investments	<u>\$3,913,390.57</u>	<u>100.00%</u>

As of such date, the market value of such investments (as determined by the County by reference to published quotations, dealer bids, and comparable information) was approximately 100% of their book value. No funds of the County are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

The Texas State Comptroller of Public Accounts exercises oversight responsibility over the Texas Local Government Investment Pool ("TexPool"). Oversight includes the ability to significantly influence operations, designation of management and accountability for fiscal matters. Additionally, the State Comptroller has established an advisory board composed both of participants in TexPool and of the other persons who do not have a business relationship with TexPool. The advisory Board members review the investment policy and management fee structure. Finally, TexPool is rated AAA by S&P. TexPool operates in a manner consistent with the SEC's Rule 2a-7 of the Investment Company Act of 1940. As such, TexPool uses amortized cost to report net assets and share prices since that amount approximates fair value.

EMPLOYMENT BENEFITS

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768- 20343.

For more information see the 2021 Annual Financial Report, Note IV. C. on page 36.

AD VALOREM PROPERTY TAXATION

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the County is the responsibility of the Fannin Central Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the County, in establishing their tax rolls and tax rates (see "AD VALOREM PROPERTY TAXATION – County and Taxpayer Remedies").

State Mandated Homestead Exemptions

State law grants, with respect to each taxing unit in the State, various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentation of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit.

Local Option Freeze for the Elderly and Disabled

The governing body of a county, municipality or junior college district may, at its option, provide for a freeze on the total amount of ad valorem taxes levied on the homesteads of persons 65 years of age or older or of disabled persons above the amount of tax imposed in the year such residence qualified for such exemption. Also, upon voter initiative, an election may be held to determine by majority vote whether to establish such a freeze on ad valorem taxes. Once the freeze is established, the total amount of taxes imposed on such homesteads cannot be increased except for certain improvements, and such freeze cannot be repealed or rescinded.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Tax Increment Reinvestment Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in

the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “tax increment”. During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the County, see “COUNTY APPLICATION OF THE PROPERTY TAX CODE” herein.

County and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the County, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the County may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year “minimum eligibility amount”, as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount was set at \$50 million for the 2020 tax year and \$50.6 million for the 2021 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see “AD VALOREM PROPERTY TAXATION – Public Hearing and Maintenance and Operations Tax Rate Limitations”). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The County is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the County. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the County may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances.

County’s Rights in the Event of Tax Delinquencies

Taxes levied by the County are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the County, having power to tax the property. The County’s tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the County is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the County may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the County must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

Public Hearing and Maintenance and Operations Tax Rate Limitations

The following terms as used in this section have the meanings provided below:

"adjusted" means lost values are not included in the calculation of the prior year's taxes and new values are not included in the current year's taxable values.

"de minimis rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted), plus the rate that produces an additional \$500,000 in tax revenue when applied to the current year's taxable value, plus the debt service tax rate.

"no-new-revenue tax rate" means the combined maintenance and operations tax rate and debt service tax rate that will produce the prior year's total tax levy (adjusted) from the current year's total taxable values (adjusted). Certain counties for which certain expenditures for indigent legal defense or certain hospital expenditures exceed the amount for such expenditures for the preceding tax year, may increase their no-new-revenue tax rate proportionately with such expenditures in the manner provided by the Property Tax Code.

"special taxing unit" means a county for which the maintenance and operations tax rate proposed for the current tax year is 2.5 cents or less per \$100 of taxable value.

"unused increment rate" means the cumulative difference between a county's voter-approval tax rate and its actual tax rate for each of the tax years 2020 through 2022, which may be applied to a county's tax rate in tax years 2021 through 2023 without impacting the voter-approval tax rate.

"voter-approval tax rate" means the maintenance and operations tax rate that will produce the prior year's total maintenance and operations tax levy (adjusted) from the current year's values (adjusted) multiplied by 1.035, plus the debt service tax rate, plus the unused increment rate.

The County's tax rate consists of two components: (1) rates for funding of maintenance and operations expenditures in the current year, which may additionally include the Road and Bridge Maintenance Tax and the Farm-to-Market Road and Flood Control Tax, if levied (collectively, the "maintenance and operations tax rate"), and (2) a rate for funding debt service in the current year (the "debt service tax rate"). Under State law, the assessor for the County must submit an appraisal roll showing the total appraised, assessed, and taxable values of all property in the County to the Commissioners Court by August 1 or as soon as practicable thereafter.

A county must annually calculate its voter-approval tax rate and no-new-revenue tax rate in accordance with forms prescribed by the State Comptroller and provide notice of such rates to each owner of taxable property within the county and the county tax assessor-collector. A county must adopt a tax rate before the later of September 30 or the 60th day after receipt of the certified appraisal roll, except that a tax rate that exceeds the voter-approval tax rate must be adopted not later than the 71st day before

the next occurring November uniform election date. If a county fails to timely adopt a tax rate, the tax rate is statutorily set as the lower of the no-new-revenue tax rate for the current tax year or the tax rate adopted by the county for the preceding tax year.

As described below, the Property Tax Code provides that if a county adopts a tax rate that exceeds its voter-approval tax rate or, in certain cases, its de minimis rate, an election must be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

A county may not adopt a tax rate that exceeds the lower of the voter-approval tax rate or the no-new-revenue tax rate until the county appraisal district has delivered notice to each taxpayer of the estimated total amount of property taxes owed and the county has held a public hearing on the proposed tax increase.

If a county's adopted tax rate for any tax year exceeds the greater of (i) the voter-approval tax rate or (ii) the de minimis rate, the county must conduct an election on the next occurring November uniform election date to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate. However, for any tax year during which a county does not qualify as a special taxing unit, if a county's adopted tax rate is equal to or less than the de minimis rate but greater than both (a) the no-new-revenue

tax rate, multiplied by 1.08, plus the debt service tax rate or (b) the county's voter-approval tax rate, then a valid petition signed by at least three percent of the registered voters in the county would require that an election be held to determine whether or not to reduce the adopted tax rate to the voter-approval tax rate.

Any county located at least partly within an area declared a disaster area by the Governor of the State or the President of the United States during the current year may calculate its voter-approval tax rate using a 1.08 multiplier, instead of 1.035, until the earlier of (i) the second tax year in which such county's total taxable appraised value exceeds the taxable appraised value on January 1 of the year the disaster occurred, or (ii) the third tax year after the tax year in which the disaster occurred.

State law provides cities and counties in the State the option of assessing a maximum one-half percent (1/2%) sales and use tax on retail sales of taxable items for the purpose of reducing its ad valorem taxes, if approved by a majority of the voters in a local option election. If the additional sales and use tax for ad valorem tax reduction is approved and levied, the no-new-revenue tax rate and voter-approval tax rate must be reduced by the amount of the estimated sales tax revenues to be generated in the current tax year.

The calculations of the no-new-revenue tax rate and voter-approval tax rate do not limit or impact the County's ability to set a debt service tax rate in each year sufficient to pay debt service on all of the County's tax-supported debt obligations, including the Certificates. See "AD VALOREM PROPERTY TAXATION – Debt Tax Rate Limitations" for a description of the debt service tax rate limitations applicable to the Certificates.

Reference is made to the Property Tax Code for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the various defined tax rates.

Debt Tax Rate Limitations

Article VIII, Section 9 of the Texas Constitution imposes a limit of \$0.80 per \$100 assessed valuation for all purposes of a county's General Fund, Permanent Improvement Fund, Road and Bridge Fund and Jury Fund, including debt service on bonds or other debt issued against such funds. Administratively, the Attorney General of Texas will not approve limited tax obligations in an amount which produces debt service requirements exceeding that which can be paid from \$0.40 of the foregoing \$0.80 maximum tax rate, as calculated at the time of issuance.

Article III, Section 52 of the Texas Constitution authorizes the County to levy a direct, continuing ad valorem tax on all taxable property within the County, without limit as to rate or amount to pay the principal of and interest on the County's road bonds if approved by the voters in the County. The principal amount of unlimited tax road bonds issued by the County and outstanding at any point in time, aggregated with outstanding unlimited tax debt of certain road districts located within the County cannot exceed 25% of the assessed valuation of all real property located in the County.

Article VIII, Section 9 of the Texas Constitution and State statute authorize the County to levy a special Road and Bridge Fund Tax (the "Road and Bridge Maintenance Tax") in an amount not to exceed \$0.15 per \$100 assessed valuation, no part of which may be used for debt service, if approved by the voters.

Article VIII, Section 1-a of the Texas Constitution and State statute permit the County to levy a tax for Farm-to-Market Road and Flood Control purposes (the "Farm-to-Market Road and Flood Control Tax") in an amount not to exceed \$0.30 per \$100 assessed valuation after the mandatory \$3,000 homestead exemption, if approved by the voters. There is no allocation prescribed by statutes between debt service and maintenance.

Section 1301.003, Texas Government Code, as amended, limits the amount of limited tax obligations of counties issue pursuant to such authority for those certain purposes as follows:

Courthouse	2% of Taxable Assessed Valuation
Jail	1 1/2% of Taxable Assessed Valuation
Courthouse and Jail	3 1/2% of Taxable Assessed Valuation
Bridge	1 1/2% of Taxable Assessed Valuation

However, courthouse, jail, and certain other types of bonds may be issued under the authority of Section 1431.101, Texas Government Code, as amended, which removes the above limitations.

COUNTY APPLICATION OF THE PROPERTY TAX CODE

The County does not grant a local exemption of \$25,000 to the market value of the residence homestead of persons 65 years of age or older and \$3,000 for the disabled.

The County does not grant an additional exemption of up to 20% of the market value of residence homesteads (minimum exemption of \$5,000).

The County does not tax nonbusiness personal property.

The County does not permit split payment of taxes or discounts.

The County does not grant an exemption for goods-in-transit.

The County does not grant the freeport exemption under Article VIII, Section 1-j.

The County does participate in the Tax Increment Reinvestment Zones.

The County has entered into a tax abatement agreement with Whitewright Solar, LLC on April 26, 2016. The abatement is for a 10-year period.

TAX MATTERS

Tax Exemption

The delivery of the Certificates is subject to the opinion of Norton Rose Fulbright US LLP, Austin and San Antonio, Texas, Bond Counsel, to the effect that interest on the Certificates for federal income tax purposes (1) will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), of the owners thereof pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof. The statute, regulations, rulings, and court decisions on which such opinion is based are subject to change. A form of Bond Counsel's opinion appears in Appendix C hereto.

In rendering the foregoing opinions, Bond Counsel will rely upon representations and certifications of the County made in a certificate dated the date of delivery of the Certificates pertaining to the use, expenditure, and investment of the proceeds of the Certificates and will assume continuing compliance by the County with the provisions of the Order subsequent to the issuance of the Certificates. The Order contains covenants by the County with respect to, among other matters, the use of the proceeds of the Certificates and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Certificates are to be invested if required, the calculation and payment to the United States Treasury of any arbitrage "profits", and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Certificates to be includable in the gross income of the owners thereof from the date of the issuance of the Certificates.

Except as described above, Bond Counsel will express no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the County described above. No ruling has been sought from the Internal Revenue Service (the "IRS") with respect to the matters addressed in the opinion of Bond Counsel, and Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on municipal obligations. If an audit of the Certificates is commenced, under current procedures the IRS is likely to treat the County as the "taxpayer," and the owners of the Certificates would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Certificates, the County may have different or conflicting interests from the owners of the Certificates. Public awareness of any future audit of the Certificates could adversely affect the value and liquidity of the Certificates during the pendency of the audit, regardless of its ultimate outcome.

Tax Changes

Existing law may change to reduce or eliminate the benefit to Registered Owners of the exclusion of interest on the Certificates from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Certificates. Prospective purchasers of the Certificates should consult with their own tax advisors with respect to any proposed or future changes in tax law.

Ancillary Tax Consequences

Prospective purchasers of the Certificates should be aware that the ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust (FASIT), individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

Tax Accounting Treatment of Discount Certificates

The initial public offering price to be paid for certain Certificates may be less than the amount payable on such Certificates at maturity (the "Discount Certificates"). An amount equal to the difference between the initial public offering price of a Discount Certificate (assuming that a substantial amount of the Discount Certificates of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Certificates. A portion of such original issue discount, allocable to the holding period of a Discount Certificate by the initial purchaser, will be treated as interest for federal income tax purposes, excludable from gross income on the same terms and conditions as those for other interest on the Certificates. Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Certificate, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Certificate and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during his taxable year.

However, such accrued interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, property and casualty insurance companies, life insurance companies, S corporations with subchapter C earnings and profits, owners of an interest in a FASIT, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

In the event of the redemption, sale or other taxable disposition of a Discount Certificate by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Certificate in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Certificate was held) is includable in gross income.

Owners of Discount Certificates should consult with their own tax advisors with respect to the determination for federal income tax purposes of accrued interest upon disposition of Discount Certificates and with respect to the state and local tax consequences of owning Discount Certificates. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on the Discount Certificates may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

Tax Accounting Treatment of Premium Certificates

The initial public offering price to be paid for certain Certificates may be greater than the stated redemption price on such Certificates at maturity (the "Premium Certificates"). An amount equal to the difference between the initial public offering price of a Premium Certificate (assuming that a substantial amount of the Premium Certificates of that maturity are sold to the public at such price) and its stated redemption price at maturity constitutes premium to the initial purchasers of such Premium Certificates. The basis for federal income tax purposes of a Premium Certificate in the hands of such initial purchasers must be reduced each year by the amortizable Certificate premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable Certificate premium with respect to the Premium Certificates. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Certificate. The amount of premium which is amortizable each year by an initial purchasers is determined by using such purchaser's yield to maturity.

Purchasers of Premium Certificates should consult with their own tax advisors with respect to the determination of amortizable Certificate premium on Premium Certificates for federal income tax purposes and with respect to the State and local tax consequences of owning and disposing of Premium Certificates.

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the County has made the following agreement for the benefit of the holders and Beneficial Owners of the Certificates. The County is required to observe the agreement for so long as it remains obligated to advance funds to pay the Certificates. Under the agreement, the County will be obligated to annually provide certain updated financial information and operating data that is included in this Official Statement, that is customarily prepared by the County and that is publicly available, as well as timely notice of specified events to the Municipal Securities Rulemaking Board (the "MSRB"). The information provided to the MSRB will be available to the public free of charge via the EMMA system through an internet website accessible at www.emma.msrb.org.

Annual Reports

The Issuer will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Issuer of the general type included in this official statement in Appendix A (tables 1-11 and 15-16) and in Appendix D. The Issuer will update and provide this information within six months after the end of each fiscal year ending in and after 2022.

The Issuer may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by SEC Rule 15c2-12. The updated information will include audited financial statements for the Issuer, if the Issuer commissions an audit and it is completed by the required time. If audited financial statements are not provided by that time, the Issuer will provide unaudited financial statements for the applicable fiscal year to the MSRB with the financial information and operating data and will file the annual audit report when and if the same becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in the Issuer's annual financial statements or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation.

The Issuer's current fiscal year end is September 30. Accordingly, it must provide updated information by the end of March in each year, unless the Issuer changes its fiscal year. If the Issuer changes its fiscal year, it will notify the MSRB of the change.

All financial information, operating data, financial statements and notices required to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided as set forth above may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the United States Securities and Exchange Commission (the "SEC"), as permitted by SEC Rule 15c2-12 (the "Rule").

Notice of Certain Events

The County will also provide timely notices of certain events to the MSRB. The County will provide notice of any of the following events with respect to the Certificates to the MSRB in a timely manner (but not in excess of ten Business Days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Certificates, or other material events affecting the tax status of the Certificates; (7) modifications to rights of holders of the Certificates, if material; (8) Certificate calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Certificates, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the County, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the County or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the County, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of any such Financial Obligation of the County, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any such Financial Obligation of the County, any of which reflect financial difficulties. Neither the Certificates nor the Order make any provision for debt service reserves, liquidity enhancement, or credit enhancement. In the Order, the County adopted policies and procedures to ensure timely compliance of its continuing disclosure obligations. In addition, the County will provide timely notice of any failure by the County to provide annual financial information in accordance with their agreement described above under "Annual Reports".

For these purposes, (a) any event described in clause (12) of the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the County in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the County, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the County and (b) the County intends the words used in the immediately preceding clauses (15) and (16) to have the meanings as when they are used in the Rule, as ascribed to them in SEC Release No. 34-83885, dated August 20, 2018.

Availability of Information from MSRB

The Issuer has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at www.emma.msrb.org.

Limitations and Amendments

The Issuer has agreed to update information and to provide notices of specified events only as described above. The Issuer has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The Issuer makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Certificates at any future date. The Issuer disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its agreement or from any statement made pursuant to its agreement, although holders or beneficial owners of Certificates may seek a writ of mandamus to compel the Issuer to comply with its agreement.

The Issuer may amend its agreement 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 Issuer, if the agreement, as amended, would

have permitted an underwriter to purchase or sell Certificates in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and either the holders of a majority in aggregate principal amount of the outstanding Certificates consent or any person unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the beneficial owners of the Certificates. The Issuer may also repeal or amend its agreement if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but in either case only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer amends its agreement, it must include with the next financial information and operating data provided in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and data provided.

Compliance with Prior Agreements

Except as otherwise described below, during the past five years, the County has complied in all material respects with its previous continuing disclosure agreements made in accordance with the Rule.

The County and the Fannin County Public Facility Corporation (the "Corporation") committed to file on an annual basis certain updated quantitative financial information and operating data of the Corporation of the general type included in the Corporation's final official statement (the "Undertaking"), dated July 21, 2014 (the "Corporation's 2014 Official Statement") pertaining to Corporation's issuance of its Senior Lien Revenue Refunding Bonds, Taxable Series 2014 (Detention Facility Project), dated August 1, 2014 (the "Corporation's 2014 Bonds") (for a further description of the Corporation and the debt service requirements of the Corporation's 2014 Bonds, see "APPENDIX A – Table 17" herein). Such information must be filed within six months of the Corporation's fiscal year end and includes the Corporation's audited financial statements (the "Corporation's Audit") and Tables 1 through 6 included in Appendix B to the Corporation's 2014 Official Statement (the "Tables").

The County committed to the Undertaking in Section 14.3 of the Amended and Restated Sublease Agreement between the County and the Corporation, dated August 1, 2014 (the "Sublease") and the County and the Corporation committed to the Undertaking in Section 14.01.(b) of the Trust Indenture between the Corporation and U.S. Bank National Association (the "Trustee"), dated August 1, 2014 (the "Indenture"). Further, the County entered into a Continuing Disclosure Undertaking agreement with U.S. Bank National Association (the "Dissemination Agent") dated August 1, 2014 (the "Disclosure Agreement"), pursuant to which the Dissemination Agent agreed to perform the duties and undertaking of the County as set forth in the Sublease, the Indenture, and the Disclosure Agreement, including the Undertaking.

The Corporation's Audit has been timely filed with EMMA for each of the fiscal years ended 2014 through 2019, in accordance with the Disclosure Agreement and the Undertaking. The source of the information in these Tables was provided by the operator of the detention facility which, at the time of the posting of the Corporation's 2014 Official Statement, was Community Education Centers, Inc. The operations of the detention facility has since changed to GEO Group, Inc., and, as of September 1, 2018, to LaSalle Corrections, LLC (the "Operator") (see "APPENDIX A – Table 17" herein). However, due to an administrative oversight, the County failed to provide the Tables to the Dissemination Agent for filing with EMMA, in accordance with the Disclosure Agreement and the Undertaking. The appropriate Tables and notice of failure to timely file have been filed with EMMA on February 2, 2020.

Additionally, on September 13, 2016, S&P Global Ratings ("S&P") lowered its long-term rating on the Corporation's 2014 Bonds to "BB" from "BBB" and kept the rating on credit watch, where it was placed with negative implications on June 3, 2016. On April 2, 2019, S&P Global Ratings withdrew its rating on the Corporation's 2014 Bonds, along with several other entities with revenue bonds secured primarily by federal contract revenues. Due to an administrative oversight, the County failed to provide notice of these ratings changes to the Dissemination Agent for filing with EMMA, in accordance with the Disclosure Agreement and the Undertaking. Notice of these rating actions and failure to timely file have been filed with EMMA on February 7, 2020.

The Corporation, the County, and the Dissemination Agent have implemented appropriate measures to ensure future compliance with the Undertaking.

OTHER PERTINENT INFORMATION

Authenticity of Financial Data and Other Information

The financial data and other information contained herein have been obtained from the County's records, audited financial statements and other sources that are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and resolutions contained in this Official Statement are made subject to all of the provisions of such statutes, documents and resolutions. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

Registration and Qualification of Certificates for Sale

The sale of the Certificates has not been registered under the Federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2); and the Certificates have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Certificates been qualified under the securities acts of any jurisdiction. The Issuer assumes no responsibility for qualification of the Certificates under the securities laws of any jurisdiction in which the Certificates may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Certificates shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

It is the obligation of the Underwriters to register or qualify the sale of the Certificates under the securities laws of any jurisdiction which so requires. The County agrees to cooperate, at the Underwriters' written request and sole expense, in registering or qualifying the Certificates or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the County shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

Litigation

The County is a defendant on various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the County Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the County.

At the time of the initial delivery of the Certificates, the County will provide the Underwriters with a certificate to the effect that no litigation of any nature has been filed or is then pending challenging the issuance of the Certificates or that affects the payment and security of the Certificates or in any other manner questioning the issuance, sale, or delivery of the Certificates.

Future Debt Issuance

The County does not anticipate the issuance of additional debt over the next twenty-four (24) months.

Legal Investments and Eligibility to Secure Public Funds in Texas

Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Certificates are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are real and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Certificates by municipalities or other political subdivisions or public agencies of the State, the PFIA requires that the Certificates be assigned a rating of not less than "or its equivalent as to investment quality by a national rating agency. See "OTHER PERTINENT INFORMATION— Rating" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Certificates are legal investments for state banks, savings banks, trust companies with capital of one million dollars or more, and savings and loan associations. The Certificates are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivision, and are legal security for those deposits to the extent of their fair market value. No review by the County has been made of the laws in other states to determine whether the Certificates are legal investments for various institutions in those states.

No representation is made that the Certificates will be acceptable to public entities to secure their deposits or acceptable to such institutions for investment purposes. The County has made no investigation of other laws, rules, regulations or investment criteria which might apply to any such persons or entities or which might otherwise limit the suitability of the Certificates for any of the foregoing purposes or limit the authority of such persons or entities to purchase or invest in the Certificates for such purposes.

Additionally, with respect to the Certificates, Section 271.051 of the Texas Local Government Code expressly provides that certificates of obligation approved by the Attorney General of Texas are legal authorized investments for banks, savings banks, trust companies, and savings and loan associations, insurance companies, fiduciaries, trustees, and guardians, and sinking funds of municipalities, counties, school districts, or other political corporations or subdivisions of the State. The Certificates are eligible to secure deposits of any public funds of the State, municipalities, school and other political subdivisions of the State, and are legal security for those deposits to the extent of the market value.

Legal Opinions and No-Litigation Certificate

The Issuer will furnish the Underwriters with a complete transcript of proceedings incident to the authorization and issuance of the Certificates, including the unqualified approving legal opinion of the Attorney General of the State of Texas to the effect that the Certificates are valid and legally binding obligations of the Issuer, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Bond Counsel, to the effect that the Certificates are valid and legally binding obligations of the Issuer and, subject to the qualifications set forth herein under "TAX MATTERS," the interest on the Certificates is excludable from the gross income of the owners thereof for federal income tax purposes under existing statutes, regulations, published rulings, and court decisions existing on the date thereof. The customary closing papers, including a certificate to the effect that no litigation of any nature has been filed or is then pending to restrain the issuance and delivery of the Certificates, or which would affect the provision made for their payment or security, or in any manner questioning the validity of the Certificates will also be furnished. In its capacity as Bond Counsel, Norton Rose Fulbright US LLP, Austin and San Antonio, Texas has

reviewed the information under the captions "THE CERTIFICATES" (except for the information contained in the subcaptions "Sources and Uses", "Payment Record" and "Default and Remedies", as to which no opinion is expressed), "TAX MATTERS", "CONTINUING DISCLOSURE OF INFORMATION" (except under the subheading "Compliance with Prior Agreements", as to which no opinion is expressed), "OTHER PERTINENT INFORMATION—Registration and Qualification of Certificates For Sale", "OTHER PERTINENT INFORMATION—Legal Investments and Eligibility to Secure Public Funds in Texas", and "OTHER PERTINENT INFORMATION—Legal Opinions and No-Litigation Certificate" in the Official Statement and such firm is of the opinion that the information relating to the Certificates and the Order contained under such captions is a fair and accurate summary of the information purported to be shown and that the information and descriptions contained under such captions relating to the provisions of applicable state and federal laws are correct as to matters of law. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained therein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Certificates in the Official Statement to verify that such description conforms to the provisions of the Order. Such firm has not, however, independently verified any of the factual information contained in this Official Statement nor has it conducted an investigation of the affairs of the Issuer for the purpose of passing upon the accuracy or completeness of this Official Statement. No person is entitled to rely upon such firm's limited participation as an assumption of responsibility for, or an expression of opinion of any kind with regard to the accuracy or completeness of any of the information contained herein. The legal fees to be paid Bond Counsel for services rendered in connection with the issuance of the Certificates are contingent on the sale and delivery of the Certificates. The legal opinion of Bond Counsel will accompany the Certificates deposited with DTC or will be printed on the definitive Certificates in the event of the discontinuance of the Book-Entry-Only System. Certain legal matters will be passed upon for the Underwriters by their counsel, Cantu Harden LLP, San Antonio, Texas. The legal fees of Underwriters' counsel are contingent on the delivery of the Certificates.

The various legal opinions to be delivered concurrently with the delivery of the Certificates express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise from the transaction.

Ratings

S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P") has assigned a rating of "AA" (Stable Outlook) to the Certificates with the understanding that concurrently with the delivery of the Certificates a municipal certificate insurance policy will be issued by AGM. See "BOND INSURANCE" herein. The County received an underlying unenhanced rating of "AA-" from S&P. An explanation of the significance of such rating may be obtained from S&P. The rating of the Certificates by S&P reflects only the view of S&P at the time the rating is given, and the Issuer makes no representations as to the appropriateness of the rating. There is no assurance that the rating will continue for any given period of time, or that the rating will not be revised downward or withdrawn entirely by S&P, if, in the judgment of S&P, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Certificates.

Financial Advisor

SAMCO Capital Markets, Inc. is employed as the Financial Advisor to the Issuer in connection with the issuance of the Certificates. In this capacity, the Financial Advisor has compiled certain data relating to the Certificates and has assisted in drafting this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the Issuer to determine the accuracy or completeness of this Official Statement. Because of its limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fees for the Financial Advisor are contingent upon the issuance, sale and delivery of the Certificates.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with its responsibilities to the County and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

Underwriting

The Underwriters have agreed, subject to certain conditions, to purchase the Certificates from the County at a price of \$11,138,660.60 (representing the par amount of the Certificates of \$10,410,000.00, plus a reoffering premium of \$787,989.35, and less an Underwriters' discount of \$59,328.75), plus accrued interest on the Certificates.

The Underwriters' obligation is subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Certificates, if any of the Certificates are purchased. The Certificates may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Certificates into investment trusts) and others at prices lower than such public offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters have provided the following sentence for inclusion in this Official Statement: The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Under certain circumstances, the Underwriters and their affiliates may have certain creditor and/or other rights against the County and its affiliates in connection with such activities. In the various course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the County (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the County. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

Forward-Looking Statements Disclaimer

The statements contained in this Official Statement, and in any other information provided by the County, that are not purely historical, are forward-looking statements, including statements regarding the County's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the County on the date hereof, and the County assumes no obligation to update any such forward-looking statements. The County's actual results could differ materially from those discussed in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial, and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the County. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

Concluding Statement

The financial data and other information contained in this Official Statement have been obtained from the County's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents and Order. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the County.

References to web site addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such web sites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, the Rule.

The Order authorizing the issuance of the Certificates approved the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the reoffering of the Certificates by the Underwriters.

This Official Statement was approved by the County Commissioners Court of the Issuer for distribution in accordance with the provisions of the SEC's rule codified at 17 C.F.R Section 240.15c2-12, as amended.

FANNIN COUNTY, TEXAS

ATTEST:

/s/ Tammy Biggar
County Clerk
Fannin County, Texas

/s/ Randy Moore
County Judge
Fannin County, Texas

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APPENDIX A

FINANCIAL INFORMATION OF THE ISSUER

(This appendix contains quantitative financial information and operating data with respect to the Issuer. The information is only a partial representation and does not purport to be complete. For further and more complete information, reference should be made to the original documents, which can be obtained from various sources, as noted.)

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FINANCIAL INFORMATION OF THE ISSUER

ASSESSED VALUATION **TABLE 1**

2021 Actual Market Value of Taxable Property (100% of Actual)		\$ 5,992,858,664
Less Exemptions:		
Over-65 and/or Disabled	\$ 32,606,176	
Veterans Exemptions	47,970,970	
Pollution Exemption	7,795,370	
Abatements	66,829,760	
Freeport	7,338,563	
Productivity Value Loss	1,872,126,805	
10% Homestead Cap Loss	60,444,362	
Totally Exempt Property	<u>1,051,737,448</u>	<u>3,146,849,454</u>
2021 Certified Net Taxable Assessed Valuation		<u>\$ 2,846,009,210</u>
Less Adjustments:		
Freeze Taxable		500,117,837
Transfer Adjustment		<u>-</u>
2021 Freeze Adjusted Net Taxable Assessed Valuation		<u>\$ 2,345,891,373</u>

Source: Fannin Central Appraisal District

GENERAL OBLIGATION BONDED DEBT **TABLE 2**

General Obligation Debt Principal Outstanding: (As of June 15, 2022)		
General Obligation Bonds, Series 2017	\$	5,400,000
General Obligation Bonds, Series 2018	\$	5,845,000
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020		<u>9,595,000</u>
Total General Obligation Debt Principal Outstanding:	\$	<u>20,840,000</u>
Current Issue General Obligation Debt Principal		
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Certificates")	\$	<u>10,410,000</u>
Total General Obligation Debt Principal Outstanding Following Issuance of the Certificates:	\$	<u>31,250,000</u>
General Obligation Interest and Sinking Fund Balance as September 30, 2021.	\$	237,448
Ratio of General Obligation Debt Principal to 2021 Adjusted Net Taxable Assessed Valuation		1.33%
2021 Freeze Adjusted Net Taxable Assessed Valuation ^(a)	\$	2,345,891,373
Population: 2000 - 31,242; 2010 -33,915; 2020 - 35,662 Current Estimate - 36,172		36,172
Per Capita 2021 Freeze Adjusted Net Taxable Assessed Valuation -		\$64,854
Per Capita General Obligation Debt Principal -		\$864

^(a) See "AD VALOREM PROPERTY TAXATION" and "COUNTY APPLICATION OF THE PROPERTY TAX CODE" in the body of the Official Statement for a description of the Issuer's taxation procedures.

Sources: Texas Municipal Reports, U.S. Census, and information received from the Issuer.

OTHER OBLIGATIONS **TABLE 3**

Capital Leases Currently Outstanding:

<u>Purpose</u>	<u>Original Amount</u>	<u>Date Made</u>	<u>Date Due</u>	<u>Interest Rate</u>	<u>Periodic Payment</u>	<u>Balance</u>
Voting Equipment	\$ 357,169	3/10/2021	3/10/2025	2.99%	\$96,088	<u>\$357,169</u>
Capital leases payable						<u>\$357,169</u>

Non-Capital Leases Payable:

- None -

Source: The County's Annual Financial Report for Fiscal Year Ended September 30, 2021.

GENERAL OBLIGATION DEBT SERVICE REQUIREMENTS

TABLE 4

Fiscal Year	Currently Outstanding	The Certificates			Combined
		Principal	Interest	Total	
30-Sep	Debt Service				Debt Service
2022	\$ 1,264,188	-	-	-	\$ 1,264,188
2023	1,306,388	\$ 100,000	\$ 589,933	\$ 689,933	1,996,321
2024	1,306,988	230,000	497,050	727,050	2,034,038
2025	1,296,863	245,000	485,175	730,175	2,027,038
2026	1,301,013	255,000	472,675	727,675	2,028,688
2027	1,303,988	270,000	459,550	729,550	2,033,538
2028	1,302,238	280,000	445,800	725,800	2,028,038
2029	1,305,688	295,000	431,425	726,425	2,032,113
2030	1,305,138	310,000	416,300	726,300	2,031,438
2031	1,300,688	325,000	400,425	725,425	2,026,113
2032	1,300,663	345,000	383,675	728,675	2,029,338
2033	1,304,813	360,000	366,050	726,050	2,030,863
2034	1,297,844	380,000	347,550	727,550	2,025,394
2035	1,301,069	400,000	328,050	728,050	2,029,119
2036	1,303,050	420,000	307,550	727,550	2,030,600
2037	1,298,825	440,000	286,050	726,050	2,024,875
2038	1,303,381	465,000	264,588	729,588	2,032,969
2039	1,301,663	485,000	243,213	728,213	2,029,875
2040	1,298,738	505,000	220,938	725,938	2,024,675
2041	1,302,888	530,000	197,650	727,650	2,030,538
2042	1,295,863	555,000	173,238	728,238	2,024,100
2043	934,169	580,000	146,250	726,250	1,660,419
2044	932,894	610,000	116,500	726,500	1,659,394
2045	525,850	640,000	85,250	725,250	1,251,100
2046	-	675,000	52,375	727,375	727,375
2047	-	710,000	17,750	727,750	727,750
	<u>\$ 29,694,881</u>	<u>\$ 10,410,000</u>	<u>7,735,008</u>	<u>\$ 18,145,008</u>	<u>\$ 47,839,890</u>

TAX ADEQUACY

TABLE 5

2021 Freeze Adjusted Net Taxable Assessed Valuation	\$ 2,345,891,373
Maximum Annual Debt Service Requirements (Fiscal Year Ending September 30, 2024)	\$ 2,034,038
Indicated Maximum Interest and Sinking Fund Tax Rate at 98% Collections	\$ 0.08848

Note: Above computation is exclusive of investment earnings, delinquent tax collections and penalties and interest on delinquent tax collections.

TAX RATE DISTRIBUTION

TABLE 6

Fund	2021	2020	2019	2018	2017
Maintenance & Operations Fund	\$0.3810	\$0.4253	\$0.4181	\$0.4369	\$0.4352
Interest & Sinking Fund	0.0458	0.0567	0.0411	0.0223	0.0240
General Fund Totals	\$0.4268	\$0.4820	\$0.4592	\$0.4592	\$0.4592
Road & Bridge	0.1073	0.1070	0.1298	0.1298	0.1298
County's Total Tax Rate	\$0.5341	\$0.5890	\$0.5890	\$0.5890	\$0.5890

Source: Fannin Central Appraisal District and information from the Issuer.

PROPERTY TAX RATES AND COLLECTIONS

TABLE 7

Tax Year	Certified Net Taxable Assessed Valuation ^(a)	Tax Rate	Total Tax Levy	% Collections		Fiscal Year Ending
				Current	Total	
2012	1,207,429,111	0.60510	8,582,030	96.92%	100.36%	9/30/2013
2013	1,493,500,295	0.59500	8,735,210	96.48%	100.07%	9/30/2014
2014	1,533,637,944	0.59500	8,828,631	98.45%	101.61%	9/30/2015
2015	1,601,524,098	0.59500	9,212,783	98.57%	102.04%	9/30/2016
2016	1,723,824,318	0.59000	9,788,275	98.68%	101.67%	9/30/2017
2017	1,836,868,819	0.58900	10,364,380	98.68%	101.26%	9/30/2018
2018	2,009,907,376	0.58900	11,295,848	98.14%	100.90%	9/30/2019
2019	2,267,678,536	0.58900	13,356,627	96.68%	98.44%	9/30/2020
2020	2,483,734,539	0.58900	14,629,196	97.33%	99.85%	9/31/2021
2021	2,846,009,210	0.53410	15,200,535	89.37%	91.46%	9/30/2022 *

^(a) Figures represent Net Taxable Assessed Valuation less Freeze adjustment.

Sources: Texas Municipal Reports, the Fannin Central Appraisal District and the Issuer.

* As of March 21, 2022.

GENERAL OBLIGATION PRINCIPAL REPAYMENT SCHEDULE

TABLE 8

Fiscal Year Ending 9/30	Principal Repayment Schedule			Obligations Unpaid at End of Year	Percent of Principal Retired (%)
	Principal Outstanding	The Certificates	Total		
2022	\$ 615,000	\$ -	\$ 615,000	\$ 31,250,000	1.93%
2023	680,000	100,000	780,000	30,470,000	4.38%
2024	705,000	230,000	935,000	29,535,000	7.31%
2025	720,000	245,000	965,000	28,570,000	10.34%
2026	750,000	255,000	1,005,000	27,565,000	13.49%
2027	780,000	270,000	1,050,000	26,515,000	16.79%
2028	805,000	280,000	1,085,000	25,430,000	20.19%
2029	835,000	295,000	1,130,000	24,300,000	23.74%
2030	860,000	310,000	1,170,000	23,130,000	27.41%
2031	880,000	325,000	1,205,000	21,925,000	31.19%
2032	905,000	345,000	1,250,000	20,675,000	35.12%
2033	935,000	360,000	1,295,000	19,380,000	39.18%
2034	955,000	380,000	1,335,000	18,045,000	43.37%
2035	985,000	400,000	1,385,000	16,660,000	47.72%
2036	1,015,000	420,000	1,435,000	15,225,000	52.22%
2037	1,040,000	440,000	1,480,000	13,745,000	56.86%
2038	1,075,000	465,000	1,540,000	12,205,000	61.70%
2039	1,105,000	485,000	1,590,000	10,615,000	66.69%
2040	1,135,000	505,000	1,640,000	8,975,000	71.83%
2041	1,175,000	530,000	1,705,000	7,270,000	77.18%
2042	1,205,000	555,000	1,760,000	5,510,000	82.71%
2043	875,000	580,000	1,455,000	4,055,000	87.27%
2044	900,000	610,000	1,510,000	2,545,000	92.01%
2045	520,000	640,000	1,160,000	1,385,000	95.65%
2046	-	675,000	675,000	710,000	97.77%
2047	-	710,000	710,000	-	100.00%
	\$ 21,455,000	\$ 10,410,000	\$ 31,865,000		

OPTIONAL ADDITIONAL SALES AND USE TAX

TABLE 9

The County has adopted the provisions of Chapter 323, as amended, Texas Tax Code. In addition, some issuers are subject to a property tax relief and/or an economic and industrial development tax. The County approved a 1/2 cent sales tax for property relief to be effective January 1, 1988. Net collections on calendar year basis are as follows:

Tax Year	½% Sales Tax Collections	Percent of Ad Valorem Tax Levy	Equivalent Ad Valorem Tax Rate
2012	793,155	9.24%	0.05592
2013	795,119	9.10%	0.05416
2014	855,079	9.69%	0.05763
2015	901,942	9.79%	0.05825
2016	947,692	9.68%	0.05712
2017	1,004,143	9.69%	0.05706
2018	1,155,347	10.23%	0.06024
2019	1,295,998	9.70%	0.05715
2020	1,455,872	9.95%	0.05862
2021	1,741,727	11.46%	0.06120

Source: Texas Comptroller of Public Accounts and the Issuer.

PRINCIPAL TAXPAYERS 2021

TABLE 10

Name	Type of Property	2021 Net Taxable Assessed Valuation	% of Total 2021 Net Taxable Assessed Valuation
ONCOR Electric Delivery Company	Electric - Utility	\$ 52,588,210	1.85%
GSE One LLC	Pipeline	44,049,810	1.55%
Atmos Energy/MID-TEX Pipeline	Pipeline	40,610,700	1.43%
Energy Transfer Fuel LP	Oil & Gas	21,099,460	0.74%
Voluntary Purchasing Group	Agricultural Supply	18,793,612	0.66%
National Fleet Services, LLC	Auto Leasing	12,355,450	0.43%
Transcanada Keystone PL LP	Pipeline	11,022,190	0.39%
RFJ Auto Properties LLC	Auto Dealership	10,396,270	0.37%
Wal-Mart Stores	Retail	9,253,230	0.33%
Gulf South Pipeline Co	Pipeline	9,034,570	0.32%
Total		\$ 229,203,502	8.05%

Source: Fannin Central Appraisal District and the Issuer.

CLASSIFICATION OF ASSESSED VALUATION

TABLE 11

<u>Category</u>	<u>2021</u>	<u>% of Total</u>	<u>2020</u>	<u>% of Total</u>	<u>2019</u>	<u>% of Total</u>
Real, Residential, Single Family	\$ 1,271,149,322	21.21%	\$ 1,113,713,789	22.21%	\$ 1,000,045,038	21.41%
Real, Residential, Multi-Family	34,567,048	0.58%	31,682,308	0.63%	30,759,805	0.66%
Real, Vacant Lots/Tract	36,254,242	0.60%	30,439,903	0.61%	26,515,954	0.57%
Qualified/Improvements Open-Space Land	1,954,769,621	32.62%	1,686,861,936	33.64%	1,609,897,131	34.47%
Rural Land, Non Qualified Open-Space	865,700,683	14.45%	776,496,728	15.48%	708,487,935	15.17%
Real, Commercial	228,717,476	3.82%	181,617,186	3.62%	169,800,685	3.64%
Real, Industrial	144,224,203	2.41%	39,235,700	0.78%	31,734,380	0.68%
Real & Tangible Personal, Utilities	185,039,561	3.09%	176,219,630	3.51%	169,340,090	3.63%
Tangible Personal, Commercial	95,864,970	1.60%	97,255,610	1.94%	84,538,610	1.81%
Tangible Personal, Industrial	95,684,360	1.60%	81,738,200	1.63%	93,162,380	1.99%
Tangible Personal, Mobile Homes	19,453,045	0.32%	13,722,367	0.27%	11,292,417	0.24%
Real Residential, Inventory	2,528,470	0.04%	2,572,150	0.05%	442,670	0.01%
Special Inventory	7,250,180	0.12%	8,122,680	0.16%	8,711,090	0.19%
Totally Exempt Property	<u>1,051,655,483</u>	<u>17.55%</u>	<u>775,380,382</u>	<u>15.46%</u>	<u>725,818,998</u>	<u>15.54%</u>
Total Appraised Value	\$ 5,992,858,664	100.00%	\$ 5,015,058,569	100.00%	\$ 4,670,547,183	100.00%
Less Exemptions:						
Over-65/Disabled	\$ 32,606,176		\$ 32,647,005		\$ 32,215,885	
Veterans Exemptions	47,970,970		40,580,805		32,735,095	
Pollution Control	7,795,370		7,890,630		7,795,370	
Abatements	66,829,760		7,839,190		10,709,010	
Freeport	7,338,563		8,562,947		7,216,664	
Productivity Value Loss	1,872,126,805		1,609,807,923		1,532,846,558	
10% Homestead Cap Loss	60,444,362		48,615,148		54,126,451	
Totally Exempt Property/Other	<u>1,051,737,448</u>		<u>775,380,382</u>		<u>725,867,503</u>	
Total Exemptions	\$ 3,146,849,454		\$ 2,531,324,030		\$ 2,403,512,536	
Net Taxable Assessed Valuation	\$ 2,846,009,210		\$ 2,483,734,539		\$ 2,267,034,647	
Freeze Taxable	\$ 500,117,837		\$ 457,504,887		\$ 401,252,634	
Transfer Adjustment	\$ -		\$ 594,273		\$ 571,251	
Net Taxable Assessed Valuation after Freeze and Adjustment	\$ 2,345,891,373		\$ 2,025,635,379		\$ 1,865,210,762	

Source: Fannin Central Appraisal District - Grand Totals As of Certification

Note: Taxable Assessed Valuations are subject to change during the year due to various supplements and protests.

Valuations shown in other tables of the Official Statement may not match these certified valuations.

OVERLAPPING DEBT DATA AND INFORMATION

TABLE 12

Expenditures of the various taxing bodies within the territory of the County are paid out of ad valorem taxes levied by these taxing bodies on their respective properties within the County. These political taxing bodies are independent of the County and may incur borrowings to finance their expenditures. The following statement of direct and estimated overlapping ad valorem tax debt was developed from information contained in "Texas Municipal Reports" published by the Municipal Advisory Council of Texas. Except for the amounts relating to the County, the County has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed below may have issued additional debt since the date stated in the table, and such entities may have programs requiring the issuance of substantial amounts of additional debt, the amount of which cannot be determined. The following table reflects the County's estimated share of overlapping gross debt of these various taxing bodies:

<u>Taxing Body</u>	<u>Gross Debt Principal</u>	<u>As of</u>	<u>% Overlapping</u>	<u>Amount Overlapping</u>
Bailey, City of	\$ 60,000	5/31/2022	100.00%	\$ 60,000
Blue Ridge ISD	33,925,000	5/31/2022	3.14%	1,065,245
Bonham ISD	31,950,000	5/31/2022	100.00%	31,950,000
Bonham, City of	23,775,000	5/31/2022	100.00%	23,775,000
Dodd City ISD	3,715,000	5/31/2022	100.00%	3,715,000
Dodd City, City of	-	5/31/2022	100.00%	-
Ector ISD	1,120,000	5/31/2022	100.00%	1,120,000
Fannindel ISD	830,000	5/31/2022	58.48%	485,384
Honey Grove ISD	7,185,000	5/31/2022	97.05%	6,973,043
Honey Grove, City of	-	5/31/2022	100.00%	-
Ladonia, City of	-	5/31/2022	100.00%	-
Leonard ISD	-	5/31/2022	85.58%	-
Leonard, City of	-	5/31/2022	100.00%	-
North Lamar ISD	44,005,000	5/31/2022	0.13%	57,207
Sam Rayburn ISD	3,223,059	5/31/2022	100.00%	3,223,059
Savoy ISD	470,000	5/31/2022	100.00%	470,000
Savoy, City of	-	5/31/2022	100.00%	-
Trenton ISD	5,790,000	5/31/2022	90.52%	5,241,108
Trenton, City of	1,195,000	5/31/2022	94.42%	1,128,319
Whitewright ISD	5,645,000	5/31/2022	14.25%	804,413
Wolfe City ISD	6,045,000	5/31/2022	6.21%	375,395
Total Gross Overlapping Debt Principal	\$ 168,933,059	5/31/2022		\$ 80,443,171
Fannin County	\$ 31,250,000 ^{(a)*}		100.00%	31,250,000 ^(a)
Total Direct and Overlapping Debt Principal				\$ 111,693,171 ^(a)
Ratio of Direct and Overlapping Debt to 2021 Adjusted Net Taxable Assessed Valuation				3.92% ^(a)
Ratio of Direct and Overlapping Debt to 2021 Actual Market Value				1.86% ^(a)
Per Capita Direct and Overlapping Debt				\$3,087.84 ^(a)

^(a) Includes the Certificates. (See "Table 2 - General Obligation Bonded Debt" herein.)
 Source: Municipal Advisory Council of Texas

AUTHORIZED BUT UNISSUED GENERAL OBLIGATION BONDS OF DIRECT AND OVERLAPPING GOVERNMENTAL ENTITIES

TABLE 13

<u>Taxing Body</u>	<u>Date Authorized</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued To Date</u>	<u>Unissued</u>
Whitewright ISD	5/7/2022	School Bldg	\$ 15,000,000	-	\$ 15,000,000

Source: Municipal Advisory Council of Texas.

ASSESSED VALUATION AND TAX RATE OF OVERLAPPING ENTITIES

TABLE 14

Governmental Entity	2021 Net Taxable Assessed Valuation	% of Actual	2021 Tax Rate
Bailey, City of	\$ 7,252,762	100.00%	0.38700
Blue Ridge ISD	348,889,810	100.00%	1.46000
Bonham ISD	959,727,507	100.00%	1.21400
Bonham, City of	504,985,717	100.00%	0.65500
Dodd City ISD	91,572,051	100.00%	1.12200
Dodd City, City of	19,317,402	100.00%	0.30600
Ector ISD	68,936,106	100.00%	1.05400
Ector, City of	27,697,734	100.00%	0.56000
Fannindel ISD	77,610,886	100.00%	1.12200
Honey Grove ISD	285,670,332	100.00%	1.10200
Honey Grove, City of	84,743,156	100.00%	0.74000
Ladonia, City of	20,192,097	100.00%	0.39300
Leonard ISD	277,156,787	100.00%	0.96000
Leonard, City of	112,708,739	100.00%	0.60100
North Lamar ISD	1,429,831,062	100.00%	1.14600
Sam Rayburn ISD	153,110,559	100.00%	1.11400
Savoy ISD	152,649,793	100.00%	1.07000
Savoy, Town of	34,200,636	100.00%	0.70100
Trenton ISD	333,779,085	100.00%	1.14000
Trenton, City of	54,668,494	100.00%	0.69200
Whitewright ISD	395,521,338	100.00%	1.11200
Windom, Town of	11,757,347	100.00%	0.15700
Wolfe City ISD	171,773,537	100.00%	1.14500

Source: Fannin Central Appraisal District and latest available Texas Municipal Reports published by the Municipal Advisory Council of Texas

FUND BALANCES

TABLE 15

	As of 9/30/2021
General Fund	\$ 4,374,206
Special Revenue Funds	5,885,924
Debt Service Fund	471,072
Capital Projects Fund	4,250,493
Total	<u>\$ 14,981,695</u>

Source: The County's Annual Financial Report for Fiscal Year Ended September 30, 2021.

STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE

TABLE 16

	Fiscal Year Ended September 30				
	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
REVENUES:					
Ad valorem taxes	\$ 9,893,067	\$ 9,034,214	\$ 8,480,531	\$ 7,768,062	\$ 7,747,364
Other Taxes	1,725,831	1,391,936	1,340,718	1,180,387	1,091,626
Licenses and permits	147,956	118,774	103,201	121,944	104,628
Intergovernmental	58,842	107,609	26,459	65,541	33,365
Fees of office	1,015,217	811,204	733,587	976,386	880,150
Fees of tax collector	421,200	360,047	433,570	415,020	412,756
Fines	1,831	13,823	12,463	11,416	19,001
Interest	7,146	49,586	91,969	79,016	27,129
Miscellaneous	1,053,390	246,609	265,176	276,520	321,653
Total Revenues	<u>\$ 14,324,480</u>	<u>\$ 12,133,802</u>	<u>\$ 11,487,674</u>	<u>\$ 10,894,292</u>	<u>\$ 10,637,672</u>
EXPENDITURES:					
General administration	\$ 760,435	\$ 719,208	\$ 719,392	\$ 688,978	\$ 699,662
Judicial	2,541,354	2,383,840	2,331,729	2,304,455	2,249,035
Legal	939,214	918,424	911,121	835,542	851,866
Financial administration	885,209	897,121	956,211	887,618	888,854
Public facilities	488,982	445,727	362,406	420,650	404,685
Public safety	5,805,785	5,995,690	5,240,501	4,666,833	4,596,905
Health and welfare	688,779	602,850	573,609	570,672	509,926
Nondepartmental	1,264,137	1,132,130	1,005,608	942,901	902,910
Debt Service:					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total Expenditures	<u>\$ 13,373,895</u>	<u>\$ 13,094,990</u>	<u>\$ 12,100,577</u>	<u>\$ 11,317,649</u>	<u>\$ 11,103,843</u>
Other Financing Sources (uses):					
Transfers In	5,482	1,032	-	-	-
Transfers Out	(7,509)	(429)	-	-	-
Sale of capital assets	<u>22,428</u>	<u>\$ 20,606</u>	<u>\$ -</u>	<u>\$ 23,382</u>	<u>\$ 116</u>
Total other financing sources (uses)	20,401	21,209	-	23,382	116
Net Change in Fund Balance	970,986	(939,979)	(612,903)	(399,975)	(466,055)
Fund Balances, October 1	3,403,220	4,343,199	4,956,102 ^(a)	5,355,936	5,821,991
Increase (decrease) in fund balance	-	-	-	-	-
Fund Balances, September 30	<u>\$ 4,374,206</u>	<u>\$ 3,403,220</u>	<u>\$ 4,343,199</u>	<u>\$ 4,955,961 ⁽¹⁾</u>	<u>\$ 5,355,936</u>

^(a)The \$141.00 discrepancy in the 2019 Fund Balance was a posting error, should have been posted to miscellaneous.

Source: *The Issuer's Annual Financial Reports.*

In 2008, the County approved and authorized the creation of the Fannin County Public Facility Corporation (the "Corporation"), a public nonprofit corporation organized pursuant to Chapter 303, Texas Local Government Code, as amended, and issued bonds designated as "Fannin County Public Facilities Corporation Project Revenue Bonds, Series 2008" (the "2008 Bonds"), the proceeds of which were used to fund the development, design, construction, furnishing, and equipping of a multi-classification secure detention center (the "Project").

On December 15, 2011, the Corporation received notice from the Internal Revenue Service (the "IRS") that the IRS would be conducting an examination of the 2008 Bonds. The IRS stated in a closing agreement (the "Closing Agreement") between the Corporation and the IRS that, based on the IRS' findings from the examination, the IRS had a basis to conclude that interest on the 2008 Bonds was includable in the bondholders' gross income because the 2008 Bonds were private activity bonds as set forth in section 141 of the Internal Revenue Code.

In the Closing Agreement, the Corporation agreed to issue taxable refunding bonds to defease all outstanding 2008 Bonds and wire to the IRS a settlement amount of \$1,752,447. On July 21, 2014, in accordance with the provisions agreed to in the Closing Agreement, the Corporation authorized the issuance of its "Fannin County Public Facility Corporation Senior Lien Revenue Refunding Bonds, Taxable Series 2014 (Detention Facility Project)" (the "2014 Bonds"), refunding all outstanding 2008 Bonds and providing funds to finance the IRS settlement payment.

The Corporation originally leased the Project to the County pursuant to a Sublease Agreement, dated June 1, 2008, as amended and restated as of August 1, 2014 (the "Sublease"). The Sublease requires the County to make rental payments thereunder in amounts and at times sufficient to pay the principal of, premium, if any, and interest on the 2014 Bonds when due. The County makes rental payments directly to U.S. Bank National Association, Dallas, Texas (the "Trustee") for deposit to a project fund established in the Sublease to be transferred by the Trustee into the 2014 Bonds' interest and sinking fund and are thereafter used to pay the principal of, premium, if any, and interest on the 2014 Bonds. The 2014 Bonds are payable from and secured by a lien on and pledge of (i) all of the right, title and interest of the Corporation in all leases, including, without limitation, the Sublease (except for the Corporation's rights to indemnification and reimbursement of expenses), and all rental payments due thereunder and (ii) a first lien on and pledge of the money and investments in certain amounts deposited in the funds and accounts established pursuant to a Trust Indenture (the "Indenture"), dated as of August 1, 2014, between the Trustee and the Corporation. The County's obligation to make rental payments under the Sublease is payable solely from revenues derived from the operation of the Project and from revenues to be received by the County for deposit into the Project fund from the County's 96-bed satellite jail facility (the "Project Revenues"). The County has not appropriated and does not intend to appropriate any ad valorem tax revenues or other funds for the payment of rental payments or other payments due under the Sublease. The 2014 Bonds are further secured by a deed of trust on the Corporation's interest in the Project given by the Corporation for the benefit of the Trustee.

The Corporation originally entered into a Ground Lease Agreement, dated June 1, 2008, as amended and restated as of August 1, 2014 (the "Ground Lease"), whereby the County leases property to the Corporation for a term ending on the earlier of June 1, 2017, or the date no 2014 Bonds or additional bonds are outstanding. The Corporation has the right under the Ground Lease to lease the Project to the County pursuant to the Sublease. The Corporation and the County agreed the Corporation may operate the Project and may add to or remove from the Project all as contemplated by the deed of trust, the Sublease, and the Indenture.

The 2014 Bonds do not constitute an indebtedness or general obligation of the Corporation or the County, but are special obligations of the Corporation payable solely from the sources provided in the trust indenture governing the 2014 Bonds' issuance. The 2014 Bonds are therefore not secured by the same source of payment as the Certificates that are the subject of this Official Statement, and a holder of the 2014 Bonds shall not have the right to claim otherwise.

On September 30, 2016, S&P Global Ratings lowered its long-term rating on the Corporation's outstanding revenue debt to "BB" from "BBB" and kept the rating on credit watch, where it was placed with negative implications on June 3, 2016. In April 2019, S&P Global Ratings withdrew its rating on the Corporation's debt, along with several other entities with revenue bonds secured by federal contract revenues, citing its inability to communicate with the federal agency that appropriates the funding, or the operator who manages a specific facility.

Effective as of September 1, 2018, the GEO Group, Inc. terminated its Operation & Management Agreement and the County transitioned operations to LaSalle Corrections, LLC under the terms of a Facility Operation & Management Agreement effective as of September 1, 2018.

The following is a debt service table related only to the Corporation's outstanding debt obligations:

2014 Bond Debt Service			
Fiscal Year	Principal	Interest	Total
30-Sep			
2022	\$ 900,000	\$ 1,836,903	\$ 2,736,903
2023	955,000	1,782,828	2,737,828
2024	1,010,000	1,722,868	2,732,868
2025	1,075,000	1,657,426	2,732,426
2026	1,140,000	1,583,965	2,723,965
2027	1,220,000	1,502,545	2,722,545
2028	1,305,000	1,415,433	2,720,433
2029	1,395,000	1,322,283	2,717,283
2030	1,490,000	1,222,750	2,712,750
2031	1,595,000	1,115,520	2,710,520
2032	1,705,000	1,000,020	2,705,020
2033	1,825,000	876,470	2,701,470
2034	1,950,000	743,370	2,693,370
2035	2,090,000	599,950	2,689,950
2036	2,240,000	446,235	2,686,235
2037	5,165,000	183,358	5,348,358
	\$ 27,060,000	\$ 19,011,921	\$ 46,071,921

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APPENDIX B

**GENERAL INFORMATION REGARDING FANNIN COUNTY, TEXAS
AND THE CITY OF BONHAM, TEXAS**

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GENERAL INFORMATION REGARDING FANNIN COUNTY AND THE CITY OF BONHAM, TEXAS

Fannin County is located Northeast of the DFW metroplex and borders Oklahoma. The county seat is the City of Bonham, Texas.

Map of Texas Counties showing location of Fannin County



Population Trends

<u>Year</u>	<u>Fannin County</u>
2021 Estimate	36,172
2020 Census	35,662
2010 Census	33,915
2000 Census	31,242
1990 Census	24,817
1980 Census	24,285
1970 Census	22,705

Sources: U.S. Census Bureau and the Issuer and Texas Demographic Center.

Leading Employers – Fannin County

<u>Employer</u>	<u>Type of Business</u>
Sam Rayburn Memorial Veterans Center	Veterans Hospital
Texas Department of Criminal Justice	Prisons
McCraw Oil/Kwik Chek	Fuel and propane/convenience stores
Bonham ISD	Schools
WalMart	Discount Store
Clayton Homes	Manufacturing Housing
Texoma Medical Center	Hospital
Fannin County and City of Bonham	Local Government
Voluntary Purchasing Group	Fertilizer Plant

Source: The Issuer.

Labor Force Statistics

	<u>Fannin County</u>	
	<u>2021</u>	<u>2020</u>
Civilian Labor Force	17,165	16,589
Total Employed	16,478	15,806
Total Unemployed	687	783
% Unemployed	4.0%	4.7%
% Unemployed (Texas)	5.7%	7.7%
% Unemployed (United States)	5.3%	8.1%

Source: Texas Workforce Commission, Labor Market Information Department, not seasonally adjusted

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

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July 27, 2022

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FINAL

IN REGARD to the authorization and issuance of the “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022” (the *Certificates*), dated July 1, 2022 in the aggregate principal amount of \$10,410,000, we have reviewed the legality and validity of the issuance thereof by the Commissioners Court of Fannin County, Texas (the *Issuer*). The Certificates are issuable in fully registered form only, in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and have Stated Maturities of March 1 in each of the years 2023 through 2037, March 1, 2042 and March 1, 2047, unless optionally or mandatorily redeemed prior to Stated Maturity in accordance with the terms stated on the face of the Certificates. Interest on the Certificates accrues from the dates, at the rates, in the manner, and is payable on the dates, all as provided in the order (the *Order*) authorizing the issuance of the Certificates. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the Order.

WE HAVE SERVED AS BOND COUNSEL for the Issuer solely to pass upon the legality and validity of the issuance of the Certificates under the laws of the State of Texas and with respect to the exclusion of the interest on the Certificates from the gross income of the owners thereof for federal income tax purposes and for no other purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Issuer’s library system (the *Library System*) and have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Certificates. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Certificates. Our role in connection with the Issuer’s Official Statement prepared for use in connection with the sale of the Certificates has been limited as described therein.

WE HAVE EXAMINED, the applicable and pertinent laws of the State of Texas and the United States of America. In rendering the opinions herein we rely upon (1) original or certified copies of the proceedings of the Commissioners Court of the Issuer in connection with the issuance of the Certificates, including the Order; (2) customary certifications and opinions of officials of the Issuer; (3) certificates executed by officers of the Issuer relating to the expected use and investment of proceeds of the Certificates and certain other funds of the Issuer and to certain other facts solely within the knowledge and control of the Issuer; and (4) such other documentation, including an examination of the Certificate executed and delivered initially by the Issuer and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements and information contained in such certificates. We express no opinion concerning any effect on the following opinions which may result from changes in law effected after the date hereof.

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

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Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”

BASED ON OUR EXAMINATION, IT IS OUR OPINION that the Certificates have been duly authorized and issued in conformity with the laws of the State of Texas now in force and that the Certificates are valid and legally binding obligations of the Issuer enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the Issuer and are further payable from and secured by a lien on and pledge of the Pledged Revenues, being a limited amount of the Net Revenues derived from the operation of the Library System, such lien on and pledge of the limited amount of Net Revenues, being subordinate and inferior to the lien on and pledge of such Net Revenues securing the payment of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the Issuer. In the Order, the Issuer retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Parity Obligations without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

BASED ON OUR EXAMINATION, IT IS FURTHER OUR OPINION that, assuming continuing compliance after the date hereof by the Issuer with the provisions of the Order and in reliance upon the representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Certificates, under existing statutes, regulations, published rulings, and court decisions (1) interest on the Certificates will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*), of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code, and (2) interest on the Certificates will not be included in computing the alternative minimum taxable income of the owners thereof.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law

Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”

that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

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APPENDIX D

EXCERPTS FROM FANNIN COUNTY'S AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2021

(Independent Auditor's Report, Management Discussion and Analysis, General Financial Statements and Notes to the Financial Statements – not intended to be a complete statement of the Issuer's financial conditions. Reference is made to the Complete Annual Financial Report for further information.)

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FANNIN COUNTY, TEXAS

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED SEPTEMBER 30, 2021

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FANNIN COUNTY, TEXAS
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED SEPTEMBER 30, 2021

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Financial Section

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RUTLEDGE CRAIN & COMPANY, PC
CERTIFIED PUBLIC ACCOUNTANTS
3214 W Park Row, Suite E
Pantego, Texas 76013

INDEPENDENT AUDITORS' REPORT

Honorable County Judge and County Commissioners
Comprising the Commissioners Court of Fannin County, Texas
Bonham, Texas

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Fannin County, Texas (the "County"), as of and for the year ended September 30, 2021, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government Hal activities, each major fund, and the aggregate remaining fund information of Fannin County, Texas as of September 30, 2021, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note IV H to the financial statements, the County adopted Governmental Accounting Standards Board Statement No. 84, Fiduciary Activities as of and for the year ended September 30, 2021. The requirements of this Statement have been reported as a restatement of beginning fiduciary net position. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as noted in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

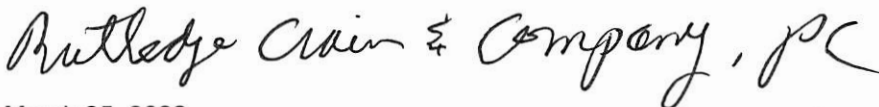
Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the County's basic financial statements. The combining and individual nonmajor fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules, and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards are fairly stated in all material respects in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 25, 2022 on our consideration of the County's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the County's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.



March 25, 2022

Management's Discussion and Analysis

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FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

As management of Fannin County, we offer readers of the County's financial statements this narrative overview and analysis of the financial activities of the County for the fiscal year ended September 30, 2021. We encourage readers to consider the information presented herein with the County's financial statements, which follow this section.

Financial Highlights

The assets of the County exceeded its liabilities at the close of the fiscal year ended September 30, 2021 by \$39,840,794 (net position). Of this amount, \$3,892,965 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.

The County's total net position increased by \$5,436,332. The majority of this increase is attributable to the increase in capital assets.

The County's governmental funds reported combined ending fund balances of \$15,287,989, a decrease of \$5,587,792 in comparison to the previous year mainly due to the expense being paid on the courthouse restoration.

The unreserved portion of the General Fund fund balance at the end of the year was \$4,374,206 or 33% of total General Fund expenditures for fiscal year 2021.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the County's basic financial statements. The County's basic financial statements comprise four components: 1) government-wide financial statements, 2) fund financial statements, 3) fiduciary financial statements, and 4) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The government-wide financial statements are designed to provide readers with a broad overview of Fannin County's finances. This is done in a manner similar to a private-sector business. Two statements, the Statement of Net Position and the Statement of Activities, are utilized to provide this financial overview.

The Statement of Net Position presents information on all of the County's assets, deferred outflow of resources, liabilities, and deferred inflow of resources with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the County is improving or deteriorating.

The Statement of Activities presents information showing how the government's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

In addition, the statement of activities highlights government activities supported by taxes and intergovernmental revenues, along with program revenues classified to the corresponding government activity.

Fund financial statements. The County, like other state and local governments, utilizes fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All of the funds of the County can be divided into two categories: governmental funds and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains 61 individual governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, American Recovery Program Grant Fund, and the 2020 CO Bonds Construction FY2020 which are considered to be a major funds. Data from the other 58 funds are combined into a single, aggregated presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements elsewhere in this report.

Fiduciary funds. Fiduciary funds account for assets held by the County in a trustee capacity or as a custodian on behalf of others. Private Purpose Trust funds account for assets held by the government under the terms of a formal trust agreement.

Notes to the Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide, fund financial statements and fiduciary fund statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents other supplementary information following the notes to the financial statements. The other supplementary information includes combining and individual statements and schedules.

Government-wide Financial Analysis

At the end of fiscal year 2021, the County's net position (assets exceeding liabilities) totaled \$39,840,794. This analysis focuses on the net position (Table 1) and changes in net position (Table 2). This is an increase of \$5,436,332, mainly due to an increase in assets.

Net Position. \$35,426,999 reflects the County's investment in capital assets (land, buildings, infrastructure, machinery and equipment, construction in progress); less accumulated depreciation and any related debt used to acquire those assets that is still outstanding. The County uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the County reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The remaining balance of unrestricted net position, \$3,892,965 may be used to meet the government's ongoing obligations to citizens and creditors.

FANNIN COUNTY, TEXAS*MANAGEMENT'S DISCUSSION AND ANALYSIS**September 30, 2021*

Table 1
Condensed Statement of Net Position

	<u>9/30/2021</u>	<u>9/30/2020</u>
ASSETS		
Current and other assets	\$ 26,822,370	\$ 30,407,982
Capital assets	<u>45,733,128</u>	<u>33,451,334</u>
Total assets	<u>72,555,498</u>	<u>63,859,316</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred charges	<u>2,732,527</u>	<u>2,033,758</u>
LIABILITIES		
Long-term liabilities	23,562,008	23,559,019
Other liabilities	<u>5,896,400</u>	<u>5,584,969</u>
Total liabilities	<u>29,458,408</u>	<u>29,143,988</u>
DEFERRED INFLOWS OF RESOURCES		
Unearned revenue	3,449,089	155,188
Deferred pension inflows	<u>2,539,734</u>	<u>2,189,436</u>
	<u>5,988,823</u>	<u>2,344,624</u>
NET POSITION		
Net Investment in capital assets	35,426,999	23,371,699
Restricted For Debt Service	520,830	269,716
Restricted For Capital Projects	-	1,760,324
Unrestricted	<u>3,892,965</u>	<u>9,002,723</u>
	<u>\$ 39,840,794</u>	<u>\$ 34,404,462</u>

Changes in Net Position. The net position of the County increased by \$5,436,332 for the fiscal year ended September 30, 2021. This increase is mainly due to the increase in long term liabilities.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Table 2
Changes in Net Position

	9/30/2021	9/30/2020
Program Revenues:		
Charges for services	\$ 3,354,320	\$ 2,952,444
Operating grants and contributions	1,000,626	2,323,114
Capital grant and contributions	2,290,035	8,515,709
General Revenues		
Taxes	15,979,508	14,227,680
Unrestricted Investment Earnings	21,820	151,123
Miscellaneous	2,807,779	132,915
Gain (loss) on sale of capital assets	83,243	104,146
Total Revenues	<u>25,537,331</u>	<u>28,407,131</u>
Expenses:		
General Administration	911,126	892,975
Judicial	2,507,928	2,428,927
Legal	928,457	950,165
Financial Administration	855,296	915,701
Public Facilities	552,262	493,452
Public Safety	6,080,242	6,350,788
Public Transportation	4,931,763	4,995,510
Health and Welfare	958,151	646,181
Non Departmental	1,281,990	1,393,892
Capital Outlay	479,576	-
Debt Service	614,208	680,290
Total Expenses	<u>20,100,999</u>	<u>19,747,881</u>
Increase/Decrease in net position	5,436,332	8,659,250
Net position-October 1	34,404,462	25,743,212
Net position-September 30	<u>\$ 39,840,794</u>	<u>\$ 34,402,462</u>

Financial Analysis of the Government's Funds

Governmental funds. The focus of the County's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the County's financing requirements. In particular, unreserved fund balances may serve as a useful measure of the government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the County's governmental funds reported combined fund balances of \$15,287,989.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

The General Fund is the main operating fund of the County. At the end of the current fiscal year, unreserved fund balance was \$4,374,206. This is a decrease over last year with the primary reason due to the decrease of cash.

General Fund Budgetary Highlights. Each year the County performs periodic reviews of the budget. State law prohibits increasing total budgeted expenditures except during an emergency, however an amount budgeted for one line item can be transferred to another budgeted item without authorizing an emergency expenditure.

Overall total actual income was over amended budget by \$736,159.

The overall County Sheriff budget was under budget by \$232,737. This was due to being short staffed in both patrol and dispatch the entire year.

Indigent Healthcare budget was over budget by \$150,319. This was due to an increase in the number of individuals being serviced by the Indigent Healthcare program.

336th District Court was over budget by \$200,863. This was due to more indigent criminal cases.

Tax Assessor-Collector was under budget by \$18,889. This was due in part to closing the Leonard office and reduction of part time employee.

County Judge was under budget by \$2,666.

County Court at Law budget was under budget by \$7,782.

Jail Operations was under budget by \$447,891. This was due to a team effort by the departments working diligently to keep cases processed.

Overall, expenditures were under the amended budget by \$568,718.

Capital Assets and Debt Administration

Capital Assets. The County's investment in capital assets as of September 30, 2021, amounts to \$45,733,128 (net of accumulated depreciation). The investment in capital assets includes land, buildings, machinery and equipment, and infrastructure.

Table 3
Capital Assets at Year End
Net of Accumulated Depreciation

	9/30/2021	9/30/2020
Land	\$ 341,562	\$ 341,561
Construction in progress	21,906,324	11,058,754
Buildings	894,112	1,005,450
Machinery and equipment	2,568,840	2,087,589
Infrastructure	20,022,290	18,957,980
	<u>\$ 45,733,128</u>	<u>\$ 33,451,334</u>

Additional information on the County's capital assets can be found in the notes to the financial statements.

Debt Administration. At the end of the current fiscal year, Fannin County had total debt outstanding of \$23,562,008. The net pension liability increased by \$101,253. Compensated absences decreased by \$49,213, and capitalized leases obligations increased by \$305,030.

FANNIN COUNTY, TEXAS

MANAGEMENT'S DISCUSSION AND ANALYSIS

September 30, 2021

Table 4
Outstanding Debt at Year End

<u>Type of Debt</u>	<u>9/30/2021</u>	<u>9/30/2020</u>
General Obligation Bonds	\$ 11,595,000	\$ 11,930,000
Certificate of Obligation	9,860,000	9,860,000
Unamortized premium	627,249	655,687
Unamortized discount	(208,830)	(218,188)
Net Bonds Payable	<u>21,873,419</u>	<u>22,227,499</u>
Capital Lease Obligation	357,169	52,139
Net Pension Liability	1,163,753	1,062,500
Compensated Absences	<u>167,667</u>	<u>216,880</u>
Total	<u>\$ 23,562,008</u>	<u>\$ 23,559,018</u>

Additional information on the County's long-term debt can be found in the notes to the financial statements.

Economic Factors and Next Year's Budgets and Rates

The Fannin County economy showed stability this year even with the continuation of the Covid-19 pandemic. The county is projecting a significant increase in growth for the next year. This forecast is due to the present economic conditions which indicate growth primary due to the completion of Bois D'Arc Lake and the start of work on Lake Ralph Hall. In the future years, we foresee even more significant growth in our county coming from the Dallas/Fort Worth Metroplex area. Overall, our property values reflect an increase in value according to preliminary appraised values for 2021 tax year.

Some key factors to look for in future budgets:

Substantial increase in costs for the County's courts due to indigent defense in both civil and criminal cases, as well as CPS due to the increased growth.

The cost that will be incurred by the County for the construction or the renovation of a Justice Center to house our judicial system.

Possible infrastructure improvements.

Requests for Information

This financial report is designed to provide a general overview of Fannin County's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the County Auditor's Office, 101 E. Sam Rayburn, Suite 303, Bonham, Texas 75418.

Basic Financial Statements

FANNIN COUNTY, TEXASSTATEMENT OF NET POSITION
SEPTEMBER 30, 2021

	Governmental Activities
ASSETS	
<i>Cash and cash equivalents</i>	\$ 14,988,969
<i>Investments</i>	4,678,136
Receivables (net of allowances for uncollectibles):	
<i>Taxes</i>	986,023
<i>Accounts</i>	119,203
<i>Fines</i>	4,893,614
<i>Intergovernmental</i>	1,054,552
<i>Inventories</i>	101,873
Capital assets (net of accumulated depreciation)	
<i>Land</i>	341,562
<i>Construction in progress</i>	21,906,324
<i>Buildings</i>	894,112
<i>Machinery and equipment</i>	2,568,840
<i>Infrastructure</i>	<u>20,022,290</u>
Total Assets	<u>72,555,498</u>
DEFERRED OUTFLOWS OF RESOURCES	
<i>Deferred pension outflow</i>	<u>2,732,527</u>
Total Deferred Outflows of Resources	<u>2,732,527</u>
LIABILITIES	
<i>Accounts payable</i>	1,834,509
<i>Accrued liabilities</i>	462,533
<i>Interest payable</i>	226,337
<i>Due to other governments</i>	796,255
<i>Due to others</i>	2,576,766
Noncurrent liabilities:	
<i>Due within one year</i>	887,118
<i>Due in more than one year</i>	<u>22,674,890</u>
Total Liabilities	<u>29,458,408</u>
DEFERRED INFLOWS OF RESOURCES	
<i>Unearned revenue</i>	3,449,089
<i>Deferred pension inflow</i>	<u>2,539,734</u>
Total Deferred Inflows of Resources	<u>5,988,823</u>
NET POSITION:	
<i>Net Investment in Capital Assets</i>	35,426,999
Restricted For:	
<i>Debt Service</i>	520,830
<i>Unrestricted</i>	<u>3,892,965</u>
Total Net Position	<u>\$ 39,840,794</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS
 STATEMENT OF ACTIVITIES
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
PRIMARY GOVERNMENT					
Governmental activities:					
<i>General administration</i>	\$ 911,126	\$ 462,849	\$ 265,068	\$ 120,000	\$ (63,209)
<i>Judicial</i>	2,507,928	543,516	45,495	--	(1,918,917)
<i>Legal</i>	928,457	45,788	44,318	--	(838,351)
<i>Financial administration</i>	855,296	421,716	--	--	(433,580)
<i>Public facilities</i>	1,031,838	--	31,667	1,922,031	921,860
<i>Public safety</i>	6,080,242	669,250	433,771	11,587	(4,965,634)
<i>Public transportation</i>	4,931,763	1,053,282	68,793	218,600	(3,591,088)
<i>Health and welfare</i>	958,151	147,956	102,839	--	(707,356)
<i>Nondepartmental</i>	1,281,990	9,963	8,675	17,817	(1,245,535)
<i>Interest on long-term debt</i>	614,208	--	--	--	(614,208)
Total expenses	<u>20,100,999</u>	<u>3,354,320</u>	<u>1,000,626</u>	<u>2,290,035</u>	<u>(13,456,018)</u>
Total Primary Government	<u>\$ 20,100,999</u>	<u>\$ 3,354,320</u>	<u>\$ 1,000,626</u>	<u>\$ 2,290,035</u>	<u>(13,456,018)</u>
General Revenues:					
<i>Property Taxes</i>					14,056,864
<i>Other Taxes</i>					1,922,644
<i>Unrestricted Investment Earnings</i>					21,820
<i>Miscellaneous</i>					2,807,779
<i>Gain (Loss) on Disposal of Capital Assets</i>					83,243
Total General Revenues and Transfers					<u>18,892,350</u>
Change in Net Position					5,436,332
Net Position - Beginning					<u>34,404,462</u>
Net Position - Ending					<u>\$ 39,840,794</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

BALANCE SHEET - GOVERNMENTAL FUNDS
 SEPTEMBER 30, 2021

	General Fund	American Recovery Program Grant
ASSETS		
<i>Cash and cash equivalents</i>	\$ 1,231,663	\$ 3,449,261
<i>Investments</i>	3,520,480	--
Receivables (net of allowances for uncollectibles):		
<i>Taxes</i>	723,238	--
<i>Accounts</i>	119,203	--
<i>Fines</i>	4,893,614	--
<i>Intergovernmental</i>	264,956	--
<i>Due from other funds</i>	248,923	--
<i>Inventories</i>	--	--
Total Assets	<u>\$ 11,002,077</u>	<u>\$ 3,449,261</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES		
Liabilities:		
<i>Accounts payable</i>	\$ 722,287	\$ --
<i>Accrued liabilities</i>	355,247	--
<i>Due to other funds</i>	--	--
<i>Due to other governments</i>	796,255	--
<i>Due to others</i>	2,576,766	--
Total Liabilities	<u>4,450,555</u>	<u>--</u>
Deferred Inflows of Resources:		
<i>Unavailable revenue - property taxes</i>	654,585	--
<i>Unavailable revenue - fines</i>	1,522,731	--
<i>Unavailable revenue - grants</i>	--	3,449,089
Total Deferred Inflows of Resources	<u>2,177,316</u>	<u>3,449,089</u>
Fund balances:		
<i>Nonspendable</i>	--	--
<i>Restricted</i>	--	172
<i>Committed</i>	--	--
<i>Unassigned</i>	4,374,206	--
Total fund balances	<u>4,374,206</u>	<u>172</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,002,077</u>	<u>\$ 3,449,261</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-3

2020 CO Bonds Construction FY2020	Other Governmental Funds	Total Governmental Funds
\$ 4,328,608	\$ 5,979,439	\$ 14,988,971
--	1,157,656	4,678,136
--	262,785	986,023
--	--	119,203
--	--	4,893,614
656,733	132,863	1,054,552
--	--	248,923
--	101,873	101,873
<u>\$ 4,985,341</u>	<u>\$ 7,634,616</u>	<u>\$ 27,071,295</u>
\$ 734,848	\$ 377,373	\$ 1,834,508
--	107,286	462,533
--	248,923	248,923
--	--	796,255
--	--	2,576,766
<u>734,848</u>	<u>733,582</u>	<u>5,918,985</u>
--	237,916	892,501
--	--	1,522,731
--	--	3,449,089
<u>--</u>	<u>237,916</u>	<u>5,864,321</u>
--	101,873	101,873
4,250,493	4,127,950	8,378,615
--	2,649,578	2,649,578
--	(216,283)	4,157,923
<u>4,250,493</u>	<u>6,663,118</u>	<u>15,287,989</u>
<u>\$ 4,985,341</u>	<u>\$ 7,634,616</u>	<u>\$ 27,071,295</u>

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FANNIN COUNTY, TEXAS

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
 TO THE STATEMENT OF NET POSITION
 SEPTEMBER 30, 2021

Total fund balances - governmental funds balance sheet	\$ 15,287,989
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	45,733,128
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	892,500
Payables for bond principal which are not due in the current period are not reported in the funds.	(21,455,000)
Payables for capital leases which are not due in the current period are not reported in the funds.	(357,169)
Payables for bond interest which are not due in the current period are not reported in the funds.	(226,341)
Payables for compensated absences which are not due in the current period are not reported in the funds.	(167,667)
Court fines receivable unavailable to pay for current period expenditures are deferred in the funds.	1,522,731
Recognition of the County's net pension liability is not reported in the funds.	(1,163,750)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,539,734)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	2,732,526
Bond premiums are amortized in the SNA but not in the funds.	<u>(418,419)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 39,840,794</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	General Fund	American Recovery Program Grant
Revenue:		
<i>Ad valorem taxes</i>	\$ 9,893,067	\$ --
<i>Other taxes</i>	1,725,831	--
<i>Licenses and permits</i>	147,956	--
<i>Intergovernmental</i>	58,842	--
<i>Fees of office</i>	1,015,217	--
<i>Fees of tax collector</i>	421,200	--
<i>Fines</i>	1,831	--
<i>Interest</i>	7,146	172
<i>Miscellaneous</i>	1,053,390	--
Total revenues	<u>14,324,480</u>	<u>172</u>
Expenditures:		
<i>General administration</i>	760,435	--
<i>Judicial</i>	2,541,354	--
<i>Legal</i>	939,214	--
<i>Financial administration</i>	885,209	--
<i>Public facilities</i>	488,982	--
<i>Public safety</i>	5,805,785	--
<i>Public transportation</i>	--	--
<i>Health and welfare</i>	688,779	--
<i>Nondepartmental</i>	1,264,137	--
Capital outlay	--	--
Debt service:		
<i>Principal</i>	--	--
<i>Interest and fiscal charges</i>	--	--
<i>Paying agent fees</i>	--	--
Total expenditures	<u>13,373,895</u>	<u>--</u>
Excess (deficiency) of revenues over (under) expenditures	950,585	172
Other financing sources (uses):		
<i>Transfers in</i>	5,482	--
<i>Transfers out</i>	(7,509)	--
<i>Sale of capital assets</i>	22,428	--
<i>Capital leases</i>	--	--
Total other financing sources (uses)	<u>20,401</u>	<u>--</u>
Net change in fund balances	970,986	172
Fund balances, October 1	3,403,220	--
Fund balances, September 30	<u>\$ 4,374,206</u>	<u>\$ 172</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

2020 CO Bonds Construction FY2020	Other Governmental Funds	Total Governmental Funds
\$ --	\$ 4,137,604	\$ 14,030,671
--	511,827	2,237,658
--	--	147,956
3,251,995	1,243,880	4,554,717
--	442,188	1,457,405
--	700,740	1,121,940
--	208,780	210,611
10,364	4,138	21,820
--	544,520	1,597,910
<u>3,262,359</u>	<u>7,793,677</u>	<u>25,380,688</u>
--	623,968	1,384,403
--	14,952	2,556,306
--	18,082	957,296
--	--	885,209
--	--	488,982
--	302,045	6,107,830
--	4,395,537	4,395,537
--	272,584	961,363
--	17,853	1,281,990
8,915,696	2,411,450	11,327,146
--	335,000	335,000
--	781,406	781,406
--	3,430	3,430
<u>8,915,696</u>	<u>9,176,307</u>	<u>31,465,898</u>
(5,653,337)	(1,382,630)	(6,085,210)
--	7,509	12,991
--	(5,482)	(12,991)
--	117,736	140,164
--	357,254	357,254
<u>--</u>	<u>477,017</u>	<u>497,418</u>
(5,653,337)	(905,613)	(5,587,792)
9,903,830	7,568,731	20,875,781
<u>\$ 4,250,493</u>	<u>\$ 6,663,118</u>	<u>\$ 15,287,989</u>

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FANNIN COUNTY, TEXAS

*RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED SEPTEMBER 30, 2021*

Net change in fund balances - total governmental funds	\$ (5,587,792)
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Capital outlays are not reported as expenses in the SOA.	12,014,527
The depreciation of capital assets used in governmental activities is not reported in the funds.	(1,503,830)
The gain or loss on the sale of capital assets is not reported in the funds.	(56,921)
Donations of capital assets increase net position in the SOA but not in the funds.	1,828,017
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	26,107
Revenues in the SOA not providing current financial resources are not reported as revenues in the funds.	(1,871,570)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	335,000
Repayment of capital lease principal is an expenditure in the funds but is not an expense in the SOA.	52,139
(Increase) decrease in accrued interest from beginning of period to end of period.	151,550
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	49,213
Certain fine revenues are deferred in the funds. This is the change in these amounts this year.	90,761
Bond premiums and discounts are reported in the funds but not in the SOA.	19,080
Proceeds of leases do not provide revenue in the SOA, but are reported as current resources in the funds.	(357,169)
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	<u>247,220</u>
Change in net position of governmental activities - Statement of Activities	<u>\$ 5,436,332</u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

STATEMENT OF FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 SEPTEMBER 30, 2021

	Custodial Funds
ASSETS	
<i>Cash and cash equivalents</i>	\$ 2,968,517
Total Assets	<u>2,968,517</u>
LIABILITIES	
<i>Due to other governments</i>	570,687
<i>Due to others</i>	<u>206,666</u>
Total Liabilities	<u>777,353</u>
NET POSITION	
<i>Individuals, organizations and other governments</i>	\$ <u><u>2,191,164</u></u>

The accompanying notes are an integral part of this statement.

FANNIN COUNTY, TEXAS

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 CUSTODIAL FUNDS
 FOR THE YEAR ENDED SEPTEMBER 30, 2021

	Custodial Funds
ADDITIONS:	
<i>Tax collections</i>	\$ 9,036,030
<i>Fees of office</i>	1,933,959
<i>Receipts from fiduciaries</i>	2,600,694
<i>Miscellaneous</i>	119,723
Total Additions	<u>13,690,406</u>
DEDUCTIONS:	
<i>Payments to county</i>	2,589,735
<i>Payments to other governments</i>	7,972,431
<i>Payments to beneficiaries</i>	3,481,292
<i>Other</i>	45,101
Total Deductions	<u>14,088,559</u>
Change in Fiduciary Net Position	(398,153)
<i>Net Position-Beginning of the Year</i>	--
<i>Prior Period Adjustment</i>	2,589,317
<i>Net Position-End of the Year</i>	<u>\$ 2,191,164</u>

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FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The County, a political subdivision of the State of Texas is governed by an elected judge and four county commissioners which comprise the commissioners' court. The county's operational activities include general administrative services, judicial, public safety, the construction and maintenance of roads, health and welfare assistance, permanent records preservation, and conservation.

The accounting policies of Fannin County, Texas, conform to generally accepted accounting principals issued by the Governmental Accounting Standards Board which is the recognized financial accounting standard setting body for governmental entities. The notes to the financial statements are an integral part of the County's basic financial statements.

The accompanying basic financial statements comply with the provisions of the GASB Statement No. 14, "The Financial Reporting Entity," in that the financial statements include all organizations, activities, functions and component units for which the County (the "primary government") is financially accountable. Financial accountability is defined as the appointment of a voting majority of a legally separate organization's governing body and either (1) the County's ability to impose its will over the organization, or (2) the potential that the organization will provide a financial benefit to or impose a financial burden on the County.

There are no component units which satisfy requirements for blending or discrete presentation within the County's financial statements. Accordingly, the basic financial statements present the County only.

B. Government-wide and Fund Financial Statements

The government-wide financial statements (i.e. the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the government. For the most part, the effect of interfund activity has been removed from these statements. *Governmental activities*, are normally supported by taxes, charges for services, and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Separate financial statements are provided for governmental funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the County considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Fines and permits, and miscellaneous revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The County reports the following major governmental funds:

The *General Fund* is the County's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

American Recovery Program Grant accounts for a grant to relieve effects of the COVID 19 pandemic.

The *2020 CO Bonds Construction Fund* is one of the County's fund used to account for the renovation of the County's Courthouse.

Additionally, the County reports the following fund types:

The Special Revenue Funds account for specific revenue sources that are legally restricted to expenditures for specified purposes (not including private purpose trusts or major capital projects).

The Debt Service Fund accounts for the accumulation of resources to be used for the payment of principal and interest.

Capital Projects Funds account for the use of the proceeds of debt issued for major capital projects.

Custodial Funds are used to account for assets held by the government as an agent for individuals, private organizations, other governments, and/or other agency funds.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, general revenues include all taxes, miscellaneous revenue, and interest income.

D. Budgetary Information

1. Annual budgets are adopted on the GAAP basis of accounting for the general fund, certain special revenue funds, and the debt service fund. All annual appropriations lapse at fiscal year end. The following special revenue funds were not budgeted:

- County Clerk Court Records Preservation
- Raw Water Pipeline Rock for Pct. 2,3,4
- Contraband Seizure
- IHC Co-Op Gin
- Investigator LEOSE
- CERT
- Hazard Mitigation
- Safe Room Reimbursement Program
- CARES Act Coronavirus Relief
- American Recovery Program Grant
- Sheriff Forfeiture
- Sheriff's Office Technology
- Courthouse Restoration
- Right of Way
- Veterans Court Program

The County Judge is, by statute, the Budget Officer of the County and has the responsibility of preparing the County's budget. Under the County's budgeting procedures, each department submits a budget request to the County Judge. The County Judge reviews budget requests and holds informal hearings when

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

needed. Before October 1, a proposed budget is presented to the Commissioners' Court. A public hearing is then held and the Commissioners' Court takes action on the proposed budget. Before determining the final budget, the Commissioners' Court may increase or decrease the amounts requested by the various departments. Amounts finally budgeted may not exceed the estimate of revenues and available fund balance.

Once the budget has been adopted by the Commissioners' Court, the County Auditor is responsible for monitoring the expenditures of the various departments of the County to prevent expenditures from exceeding budgeted appropriations and for keeping members of the Commissioners' Court advised of the conditions of the various funds and accounts.

The appropriated budget is prepared by fund. Any transfers of appropriations are first approved by the Commissioners' Court. Thus, the legal level of budgetary control is at the fund level. Several supplemental appropriations were required during the year.

2. Excess of Expenditures Over Appropriations

For the year ended September 30, 2021, expenditures exceeded appropriations in the following funds:

Special Revenue Funds	
Chapter 19 Funds	\$29,259
County Clerk Co. & Dist. Court Technology	501
J.P. #1 Justice Court Technology	44
F.C. Detention Center Annual Payment	267
D.A. Fee	14,506
Law Enforcement Education Sheriff's Office	173
Lake Fannin	1,236
Sinking Fund	593

3. Deficit Fund Balances

The following funds had deficit fund balances at September 30, 2021:

Special Revenue Funds	
County Clerk Vital Statistics	\$ 1,028
District Clerk Records Management	1,138
Hazard Mitigation Fund	6,250
Courthouse Restoration	139,141

E. Assets, liabilities, and net position or equity

1. Deposits and investments

The County's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

State statutes authorize the County to invest in (1) obligations of the United States or its agencies and instrumentalities; (2) direct obligations of the State of Texas or its agencies; (3) other obligations, the principal of and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States; (4) obligations of states, agencies, counties, cities, and other political subdivisions of any state having been rated as to investment quality by a nationally recognized investment rating firm and having received a rating of not less than A or its equivalent; (5) certificates of deposit by state and national banks domiciled in this state that are (A) guaranteed or insured by the Federal Deposit Insurance Corporation, or its successor; or, (B) secured by obligations that are described by (1) - (4); or, (6) fully collateralized direct repurchase agreements having a defined termination date, secured by obligations described by (1), pledged with third party selected or approved by the County, and placed through a primary government securities dealer.

Investments maturing within one year of date of purchase are stated at cost or amortized cost, all other investments are stated at fair value which is based on quoted market prices.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

2. Receivables and payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

All trade receivables are shown net of an allowance for uncollectibles. Trade accounts receivable in excess of 60 days comprise the trade accounts receivable allowance for uncollectibles.

Property taxes are levied on October 1 by the County based on the January 1 property values as appraised by the Fannin County Central Appraisal District. Taxes are due without penalty until January 31, of the next calendar year. After January 31, the County has an enforceable lien with respect to both real and personal property. Under state law, property taxes levied on real property constitute a perpetual lien on the real property which cannot be forgiven without specific approval of the State Legislature. Taxes applicable to personal property can be deemed uncollectible by the County.

3. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, and similar items), are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the County as assets with an initial, individual cost of more than \$5,000 (amount not rounded) and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed.

Property, plant, and equipment of the primary government is depreciated using the straight line method over the following estimated useful lives:

Buildings	20 - 30 years
Infrastructure	20 - 45 years
Machinery and Equipment	5 - 10 years

4. Compensated absences

Employees accumulate earned but unused vacation and compensatory time. All vacation and compensatory pay is accrued when incurred in the government-wide funds. A liability is reported for these amounts in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

5. Long-term obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net assets. Bond premiums and discounts, as well as insurance costs, are deferred and amortized over the life of the bonds using the

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

straight line method which approximate the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond insurance costs are reported as deferred outflow of resources and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond insurance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

6. Fund equity

In government-wide statements, net position is classified into three categories as follows:

Invested in capital assets, net of related debt – This component of net position consists of capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, leases, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.

Restricted – This component of net position consists of net position whose use is restricted by contributors, laws or regulations of other governments, or by laws through constitutional provisions or enabling legislation.

Unrestricted – This component of net position consists of those assets that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental funds classify fund balances as follows:

Nonspendable Fund Balances – Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

Restricted Fund Balance – Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

Committed Fund Balance – Amounts can only be used for the specific purposes determined by a formal action of the County’s highest level of decision-making authority. The Commissioners Court is the highest level of decision-taking authority for the County that can, by adoption of a court order prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the court order remains in place until a similar action is taken (the adoption of another court order) to remove or revise the limitation.

Assigned Fund Balance – Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as committed. The Commissioners Court has by court order authorized the county auditor to assign fund balance. The Commissioners Court may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year’s appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

Unassigned Fund Balance – Amounts that are available for any purpose; these amounts can be reported only in the County’s General Fund or as deficits in other governmental funds.

Fund balance amounts represent the nature of the net resources that are reported in a governmental fund. The County fund balance classifications include non-spendable resources, restricted, and non-restricted (committed, assigned and unassigned) amounts. When the County incurs an expenditure and both restricted and unrestricted amounts are available, the County considers restricted amounts to have been spent. When the County incurs an expenditure for an unrestricted amount, committed amounts are reduced first, followed by assigned amounts and then unassigned amounts for purposes in which any of those unrestricted fund balance classifications could be used.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

	General Fund	American Recovery Grant	2020 CO Bonds	Nonmajor Funds	Total
Nonspendable for:					
Inventory	\$ --	\$ --	\$ --	\$101,873	\$101,873
Restricted for:					
Debt Service	--	--	--	471,072	471,072
Justice Administration	--	--	--	671,783	671,783
Grants	--	172	--	518,617	518,789
Construction	--	--	4,250,483	1,753,766	6,004,249
Other	--	--	--	643,996	643,996
	<u>--</u>	<u>172</u>	<u>4,250,483</u>	<u>4,059,234</u>	<u>8,309,889</u>
Committed to:					
Road and Bridge	--	--	--	2,649,578	2,649,578
Unassigned	4,374,206	--	--	(147,557)	4,226,649
	<u>\$4,374,206</u>	<u>\$172</u>	<u>\$4,250,483</u>	<u>\$6,663,128</u>	<u>\$15,287,989</u>

II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between *fund balance-total governmental funds and net assets – governmental activities* as reported in the government-wide statement of net assets. One element of that reconciliation explains that "Court fines receivable unavailable to pay for current period expenditures are deferred in the funds, however, the net change in the deferred fines revenue is recognized as revenue in the Statement of Activities." The details of this \$1,522,731 difference are as follows:

County clerk fines	\$250,376
District clerk fines	1,147,151
Justice of the peace fines	<u>125,204</u>
Total	<u>\$1,522,731</u>

III. DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Cash

At year end, the carrying amount of the County's cash on hand and deposits was \$17,957,486 (including \$2,968,517 in custodial funds). All of the bank balance of \$18,928,975 was covered by federal deposit insurance and collateralized by the pledging financial institution with marketable securities held by an agent in the bank's name.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Investments

As of September 30, 2021, the County had the following investments:

Investment type	Credit Rating	Fair Value	Days to Maturity
Government sponsored investment pool (TexPool)	AAAm*	\$4,678,136	<30
Total Fair Value		\$4,678,136	

* Standard and Poors

Interest Rate Risk. In accordance with its investment policy, the County manages its exposure to declines in fair value by limiting the weighted average maturity of its portfolio to less than three years.

Credit Risk. State law limits investments as described previously in Note I.E.1.

Concentration of Credit Risk. The County's investment policy does not allow for an investment in any one issuer (other than investment pools) that is in excess of five percent of the fair value of the County's total investments.

Custodial Credit Risk – Deposits. In the case of deposits, this is the risk that in the event of a bank failure, the County's deposits may not be returned to it. The County requires all deposits to be covered by Federal Depository Insurance Corporation (FDIC) insurance and/or collateralized by qualified securities pledged by the County's depository in the County's name and held by the depository's agent.

Custodial Credit Risk – Investments. For an investment, this is the risk that, in the event of the failure of the counterparty, the County will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

TexPool is an external investment pool and is not SEC registered. The Texas Interlocal Cooperation Act and the Texas Public Funds Investment Act provide for creation of public funds investments pools and permit eligible governmental entities to jointly invest their funds in authorized investments. The fair value of investments in the pool is independently reviewed monthly. At September 30, 2021 the fair value of the position in TexPool approximates the fair value of the shares.

B. Receivables

Receivables as of year-end for the government's individual major funds and nonmajor funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General	NonMajor and Other	Total
Taxes receivable	\$723,238	\$262,785	\$986,023
Accounts	\$219,203	\$ --	\$219,203
Allowance	(100,000)	--	(100,000)
Net accounts receivable	\$119,203	\$ --	\$119,203
Fines receivable	\$6,948,186	\$ --	\$6,948,186
Allowance	(2,054,572)	--	(2,054,572)
Net fines receivable	\$4,893,614	\$ --	\$4,893,614

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Governmental funds report *deferred revenue* in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of *deferred revenue* and *unearned revenue* reported in the governmental funds were as follows:

	Unavailable	Unearned	Total
Deferred tax revenue (General Fund)	\$654,585	\$ --	\$654,585
Deferred fines revenue (General Fund)	1,522,731	--	1,522,731
Deferred grant revenue - (American Recovery Program)	--	3,449,089	3,449,089
Deferred tax revenue (NonMajor Funds)	237,916	--	237,916
Total deferred/unearned revenue for governmental funds	<u>\$2,415,232</u>	<u>\$3,449,089</u>	<u>\$5,864,321</u>

C. Capital assets

Capital asset activity for the year ended September 30, 2021:

	Balance 9/30/20	Additions	Retirements	Inventory Adjustment	Balance 9/30/21
GOVERNMENTAL ACTIVITIES:					
Capital assets, not being depreciated:					
Land	\$341,562	\$ --	\$ --	\$ --	\$341,562
Construction in progress	11,058,754	10,847,570	--	--	21,906,324
Total capital assets not being depreciated	<u>11,400,316</u>	<u>10,847,570</u>	<u>--</u>	<u>--</u>	<u>22,247,886</u>
Capital assets, being depreciated:					
Buildings	4,737,000	--	--	--	4,737,000
Infrastructure	37,312,169	1,847,423	(84,693)	(6,830)	39,068,069
Machinery and equipment	7,463,530	1,147,551	(414,755)	--	8,196,326
Total capital assets being depreciated	<u>49,512,699</u>	<u>2,994,974</u>	<u>(499,448)</u>	<u>--</u>	<u>52,001,395</u>
Less accumulated depreciation for:					
Buildings	(3,731,550)	(111,338)	--	--	(3,842,888)
Infrastructure	(18,354,189)	(783,113)	84,693	6,830	(19,045,779)
Machinery and equipment	(5,375,941)	(609,379)	357,834	--	(5,627,486)
Total accumulated depreciation	<u>(27,461,680)</u>	<u>(1,503,830)</u>	<u>442,527</u>	<u>--</u>	<u>(28,516,153)</u>
Total capital assets being depreciated, net	<u>22,051,019</u>	<u>1,491,144</u>	<u>(56,921)</u>	<u>--</u>	<u>23,485,242</u>
Governmental activities capital assets, net	<u>\$33,451,335</u>	<u>\$12,338,714</u>	<u>(\$56,921)</u>	<u>\$ --</u>	<u>\$45,733,128</u>

FANNIN COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2021

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

General administration	\$38,445
Public facilities	64,464
Public safety	270,107
Public transportation	1,121,530
Health and welfare	9,284
Total depreciation expense - governmental activities	<u>\$1,503,830</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of September 30, 2021 as follows:

Fund	Receivable	Payable
Major Funds		
General Fund	\$248,923	\$ --
2017 GO Bonds Construction	--	--
Nonmajor Funds		
County Clerk Vital Statistics	--	1,028
District Court Records Management	--	1,323
Hazard Mitigation Fund	--	25,000
Courthouse Restoration		152,846
Bois D'Arc Lake Reservoir (SO)	--	68,726
Total Governmental Funds	<u>\$248,923</u>	<u>\$248,923</u>

Interfund receivables/payables arise because of overdrafts in pooled cash.

E. Joint Venture

The County participates (20%) with Cooke and Grayson counties in the Cooke, Fannin and Grayson County Juvenile Detention Center. Under the interlocal agreement governing the joint venture, the County shares in the cost of operations, construction and maintenance of the joint venture. The agreement requires maintenance of a minimum fund balance and returns excess assets to the venturers. Separate financial statements of the joint venture are available from the Grayson County Auditor, Sherman, Texas. An equity interest in the joint venture has not been recorded because the terms of the interlocal agreement governing the joint venture provide that, under certain circumstances, withdrawing venturers forfeit all rights, title and interest in property of the joint venture. Following is unaudited summary information of the operations of the joint venture for the year ended September 30, 2021 under the modified accrual basis of accounting:

	<u>Unaudited</u>
Total revenues	\$1,069,866
Total expenses	<u>(1,069,866)</u>
Change in net assets	--
Contributions from joint venturers	675,317
Net assets - September 30, 2020	<u>491,343</u>
Net assets - September 30, 2021	<u>\$1,166,660</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

F. Long-term debt

The County issues general obligation debt (in the form of general obligation bonds, certificates of obligation, contractual obligations, and notes payable) to provide funds for the acquisition and construction of equipment and major capital facilities. These issues are direct obligations and pledge the full faith and credit of the County. General obligation bonded debt of the County is as follows:

\$6,150,000 General Obligation - Series 2017, principal due annually in series through 2042, interest due semi-annually at 3.00% to 4.00%	\$ 5,585,000
\$6,210,000 General Obligation - Series 2018, principal due annually in series through 2044, interest due semi-annually at 3.00% to 4.00%	6,010,000
\$9,860,000 Certificates of Obligation - Series 2020, principal due annually in series through 2045, interest due semi-annually at 3.00% to 4.00%	<u>9,860,000</u>
	<u>\$21,455,000</u>

Annual debt service requirements to maturity for general debt:

Year	Governmental Activities		Total
	Principal	Interest	
2022	\$615,000	\$649,188	\$1,264,188
2023	680,000	626,387	1,306,387
2024	705,000	601,988	1,306,988
2025	720,000	576,862	1,296,862
2026	750,000	551,013	1,301,013
2027-2031	4,130,000	2,357,737	6,487,737
2032-2036	4,795,000	1,712,436	6,507,436
2037-2041	5,530,000	975,494	6,505,494
2042-2045	<u>3,530,000</u>	<u>188,774</u>	<u>3,718,774</u>
	<u>\$21,455,000</u>	<u>\$8,239,879</u>	<u>\$29,694,879</u>

Capital Leases Currently Outstanding:

Purpose	Original Amount	Date Made	Date Due	Interest Rate	Periodic Payment	Balance 9/30/21
Capital Leases						
Voting equipment	\$357,169	3/10/21	3/10/25	2.99%	\$96,088	\$357,169
Capital leases payable						<u>\$357,169</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Annual debt service requirements to maturity for capital leases:

Year	Capital Lease Obligations		Total
	Principal	Interest	
2022	\$85,373	\$10,715	\$96,088
2023	87,934	8,154	96,088
2024	90,572	5,516	96,088
2026	93,290	2,799	96,089
Total	<u>\$357,169</u>	<u>\$27,184</u>	<u>\$384,353</u>

Changes in Long-term Liabilities

Long-term liability activity for the year ended September 30, 2021, was as follows:

	Balance 09/30/20	Additions	Retirements	Balance 09/30/21	Due Within One Year
Governmental activities:					
General obligation bonds	\$11,930,000	\$ --	(\$335,000)	\$11,595,000	\$350,000
Certificates of obligation	9,860,000	--	--	9,860,000	265,000
Deferred amounts:					
Unamortized premium	655,687	--	(28,438)	627,249	28,436
Unamortized discount	(218,188)	--	9,358	(208,830)	(9,358)
	<u>22,227,499</u>	<u>--</u>	<u>(354,080)</u>	<u>21,873,419</u>	<u>634,078</u>
Capitalized lease obligation	52,139	357,169	(52,139)	357,169	85,373
Net pension liability	1,062,500	101,253	--	1,163,753	--
Compensated absences	216,880	167,667	(216,880)	167,667	167,667
Governmental activity Long-Term Liabilities	<u>\$23,559,018</u>	<u>\$626,089</u>	<u>(\$623,099)</u>	<u>\$23,562,008</u>	<u>\$887,118</u>

For the governmental activities, claims and judgements and compensated absences are generally liquidated by the General Fund, and the Road and Bridge Funds.

Authorized and Unissued Debt

The County had no authorized but unissued debt at 9/30/21.

Conduit Debt Obligations

Certain revenue bonds entitled the Fannin County Public Facility Corporation Project Revenue Bonds, Series 2008, were issued to provide financial assistance to a nonprofit public corporation to provide funds to finance a project that consists of the development, design, construction, furnishing and equipping of a multi-classification secure detention center on real property in Fannin County. The bonds are secured by the property financed and are payable by the issuer solely from the rental payments, which are in turn payable by the County solely from the project revenues and other funds pledged therefor pursuant to the indenture. The County is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. In the fiscal year ended September 30, 2014, the original bonds were

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

refunded with the Fannin County PFC Senior Lien Refunding Bonds, Taxable Series 2014. As of September 30, 2021, the principal amount payable was \$27,060,000.

IV. OTHER INFORMATION

A. Risk management

The County is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; injuries to employees; employee health benefits; and other claims of various nature. The County participates in the Texas Association of Counties Intergovernmental Risk Pool (Pool) which provides protection for risks of loss. Premiums are paid to the Pool which retains the risk of loss beyond the County's policy deductibles. Any losses reported but unsettled or incurred and not reported, are believed to be insignificant to the County's basic financial statements. For the last three years, there have been no significant reductions of insurance coverage or insurance settlements in excess of insurance coverage.

B. Contingent Liabilities and Commitments

Amounts received or receivable from grantor agencies are subject to audit and adjustment by such agencies. Any disallowed claims, including amounts already collected may constitute a liability of the applicable funds. The amounts, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the County expects such amounts, if any, to be immaterial.

The County periodically is defendant in various lawsuits. As of September 30, 2021, after consultation with the County's attorney, the County is not aware of any pending or threatened litigation which would have a material effect on the financial statements.

The District Clerk has invested trust funds at various financial institutions in accordance with court orders. The County has a fiduciary responsibility over these funds until their final disposition.

C. Retirement Commitments

1. Plan Description

The County provides retirement, disability, and death benefits for all of its full-time employees through a nontraditional defined benefit plan in the state-wide Texas County and District Retirement System (TCDRS). The Board of Trustees of TCDRS is responsible for the administration of the statewide agent multi-employer public employee retirement system consisting of nontraditional defined benefit pension plans. TCDRS in the aggregate issues a comprehensive annual financial report (CAFR) on a calendar year basis. The CAFR is available upon written request from the TCDRS Board of Trustees at P.O. Box 2034, Austin, Texas, 78768-20343.

The plan provisions are adopted by the County commissioners' court, within the options available in the state statutes governing TCDRS (TCDRS Act). Members can retire at ages 60 and above with 8 or more years of service or with 30 years regardless of age or when the sum of their age and years of service equals 75 or more. Members are vested after 8 years but must leave their accumulated contributions in the plan to receive any employer-financed benefit. Members who withdraw their personal contributions in a lump-sum are not entitled to any amounts contributed by their employer.

Benefit amounts are determined by the sum of the employee's contributions to the plan, with interest, and employer-financed monetary credits. The level of these monetary credits is adopted by the County commissioners' court within the constraints imposed by the TCDRS Act so that the resulting benefits can be expected to be adequately financed by the employer's commitment to contribute. At retirement, death, or disability, the benefit is calculated by converting the sum of the employee's accumulated contribution and the employer-financed monetary credits to a monthly annuity using annuity purchase rates prescribed by the TCDRS Act.

2. Benefits

TCDRS provides retirement, disability, and death benefits. Benefit provisions are adopted by the governing body of the County, within the options available in the state statutes governing TCDRS.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

At the December 31, 2020 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees (or their beneficiaries) currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	111
Active employees	150
	<hr/>
	364
	<hr/> <hr/>

3. Contributions

The contribution rates for employees in TCDRS was 7% of employee gross earnings, and the County percentages was 11.51% for October 1, 2020 through December 31, 2020, and 11.56% for January 1, 2021 through September 30, 2021, both as adopted by the governing body of the County. Under the state law governing TCDRS, the contribution rate for each County is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial N84 cost method. The actuarially determined rate is the estimated amount necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

The County's contributions to TCDRS for the year ended September 30, 2021, were \$662,591 and were equal to the required contributions.

4. Net Pension Liability

The County's Net Pension Liability (NPL) was measured as of December 31, 2020, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions:

The Total Pension Liability in the December 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

The annual salary increase rates assumed for individual members vary by length of service and by entry-age group. The annual rates consist of a general wage inflation component of 2.75% (made up of 2.25% inflation and 0.5% productivity increase assumptions) and a merit, promotion and longevity component that on average approximates 1.4% per year for a career employee.

Actuarial assumptions used in the December 31, 2020, valuation were based on the results of actuarial experience studies. These assumptions were first used in the December 31, 2017 valuation, along with a change to the Entry Age Normal (EAN) actuarial cost method. Assumptions are reviewed annually. No additional changes were made for the 2020 valuation.

The long-term expected rate of return on pension plan investments is 8.10%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TCDRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TCDRS.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and

FANNIN COUNTY, TEXAS
 NOTES TO THE FINANCIAL STATEMENTS
 YEAR ENDED SEPTEMBER 30, 2021

best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Geometric Real Rate of Return (Expected minus Inflation)
US Equities	11.50%	4.25%
Global Equities	2.50%	4.55%
International Equities - Developed	5.00%	4.25%
International Equities - Emerging	6.00%	4.75%
Investment - Grade Bonds	3.00%	-0.85%
Strategic Credit	9.00%	2.11%
Direct Lending	16.00%	6.70%
Distressed Debt	4.00%	5.70%
REIT Equities	2.00%	3.45%
Master Limited Partnerships (MLPs)	2.00%	5.10%
Private Real Estate Partnerships	6.00%	4.90%
Private equity	25.00%	7.25%
Hedge Funds	6.00%	1.85%
Cash Equivalents	2.00%	0.70%
	100.00%	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 8.1%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability (Asset).

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Changes in the Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability [a]	Plan Fiduciary Net Position [b]	Net Pension Liability(Asset) [a] - (b)
Balance at 12/31/19	\$27,761,826	\$26,699,327	\$1,062,499
Changes for the year:			
Service cost	807,058	0	807,058
Interest on total pension liability	2,256,720	0	2,256,720
Effect of plan changes	0	0	0
Effect of economic/demographic gains or losses	(770,313)	0	(770,313)
Effect of assumptions changes or inputs	1,655,030	0	1,655,030
Refund of contributions	(38,235)	(38,235)	0
Benefit payments	(1,406,162)	(1,406,162)	0
Administrative expenses	0	(21,295)	21,295
Member contributions	0	422,839	(422,839)
Net investment income	0	2,757,553	(2,757,553)
Contributions - employer	0	695,269	(695,269)
Other	0	(7,122)	7,122
Net changes	2,504,098	2,402,847	101,251
Balance at 12/31/20	<u>\$30,265,924</u>	<u>\$29,102,174</u>	<u>\$1,163,750</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the County, calculated using the discount rate of 8.1%, as well as what the County's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (7.1%) or 1 percentage point higher (9.1%) than the current rate:

	1% Decrease 7.1%	Current Discount Rate 8.1%	1% Increase 9.1%
Total pension liability	\$34,061,363	\$30,265,924	\$27,069,583
Fiduciary net position	29,102,174	29,102,174	29,102,174
Net Pension Liability (Asset)	<u>\$4,959,189</u>	<u>\$1,163,750</u>	<u>(\$2,032,591)</u>

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TCDRS financial report. That report may be obtained on the Internet at www.tcdrs.org.

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

Pension Expense and Deferred Outflows and Inflows of Resources Related to Pensions

For the year ended September 30, 2021, the County recognized pension expense of \$463,871. At September 30, 2021, the County reported deferred outflows and inflows of resources related to pensions from the following sources:

	Original Amount	Date Established	Original Recognition Period	Amount Recognized in 9/30/21 Expense	Balance of Deferred Inflows 12/31/20	Balance of Deferred Outflows 12/31/20
Investment (gains) or losses	(\$608,993)	12/31/2020	5.0	(\$121,799)	\$487,194	\$ --
	(1,932,461)	12/31/2019	5.0	(386,492)	1,159,477	--
	2,354,906	12/31/2018	5.0	470,981	--	941,963
	(1,348,773)	12/31/2017	5.0	(269,755)	269,754	--
	131,522	12/31/2016	5.0	26,305	--	--
Economic/demographic (gains) or losses	(\$770,313)	12/31/2020	4.0	(192,578)	577,735	--
	101,449	12/31/2019	4.0	25,362	--	50,725
	(182,302)	12/31/2018	4.0	(45,576)	45,574	--
	(51,235)	12/31/2017	4.0	(12,808)	--	--
Assumptions changes or inputs	1,655,030	12/31/2020	4.0	413,758	--	1,241,272
	--	12/31/2019	4.0	--	--	--
	--	12/31/2018	4.0	--	--	--
	142,705	12/31/2017	4.0	35,677	--	--
Employer contributions made subsequent to measurement date				--	--	498,566
				<u>(\$56,925)</u>	<u>\$2,539,734</u>	<u>\$2,732,526</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Deferred Inflows/outflows to Be Recognized in Future Years

Year ended December
31,

2021	(\$106,096)
2022	209,234
2023	(287,115)
2024	(121,797)
2025	--
	<u>(\$305,774)</u>

FANNIN COUNTY, TEXAS
NOTES TO THE FINANCIAL STATEMENTS
YEAR ENDED SEPTEMBER 30, 2021

F. Concentrations of Credit Risk

Taxes receivable are due from citizens and businesses within the County's boundaries. Risk of loss is immaterial due to wide dispersion of receivables and because of policies which address procedures for filing property tax liens. Fines receivable are due from citizens primarily within the County's boundaries. Risk of loss is reduced by an allowance for uncollectibles and collection policies.

G. Agreement Concerning Development of Reservoir Project

In the year ended September 30, 2019, the County entered into a contract with the North Texas Municipal Water District for reimbursement to the County for anticipated impact to County roads created by the development of the Bois d'Arc Creek reservoir in Fannin County. Terms of the agreement required an initial payment to the County of \$971,263, with eight more annual payments of \$100,000, for a total of \$1,771,263.

H. Implementation of GASB 84

The County implemented GASB 84 for the year ended September 30, 2021. GASB 84 requires that Custodial Funds, previously referred to as Agency Funds, adopt an accrual basis of accounting, and accordingly present a Statement of Net Position (previously referred to as a Statement of Fiduciary Assets and Liabilities), and a Statement of Changes in Net Position. The Statement of Net Position reflects the inflows and outflows of resources for the year and the change in net position. GASB 84 also requires liabilities not payable within the near term be treated as restricted net position. The payroll fund which was previously reported as an agency fund, was deemed as an accounting convenience and is no longer recorded in the financial statements. Implementation of GASB 84 required a restatement of prior year Custodial Funds liabilities of \$2,589,317 to net position.

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APPENDIX E

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

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MUNICIPAL BOND INSURANCE POLICY

ISSUER:

Policy No: -N

BONDS: \$ in aggregate principal amount of

Effective Date:

Premium: \$

ASSURED GUARANTY MUNICIPAL CORP. ("AGM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AGM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which AGM shall have received Notice of Nonpayment, AGM will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AGM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in AGM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by AGM is incomplete, it shall be deemed not to have been received by AGM for purposes of the preceding sentence and AGM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AGM shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AGM hereunder. Payment by AGM to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AGM under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless AGM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AGM which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

AGM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to AGM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to AGM and shall not be deemed received until received by both and (b) all payments required to be made by AGM under this Policy may be made directly by AGM or by the Insurer's Fiscal Agent on behalf of AGM. The Insurer's Fiscal Agent is the agent of AGM only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of AGM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to AGM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AGM, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY MUNICIPAL CORP. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY MUNICIPAL CORP.

By _____
Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019
(212) 974-0100

Financial Advisory Services
Provided By:



PURCHASE AGREEMENT

\$10,410,000

Fannin County, Texas

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

June 28, 2022

The Honorable County Judge and County Commissioners
Fannin County, Texas
101 E. Sam Rayburn Drive, Suite 101
Bonham, Texas 75418

Ladies and Gentlemen:

The undersigned, Robert W. Baird & Co. Incorporated (the “*Representative*”), acting on its own behalf and on behalf of the other underwriters listed on Schedule I hereto (collectively, the “*Underwriters*”), and not acting as fiduciary or agent for you, offer to enter into this purchase agreement (this “*Agreement*”) with Fannin County, Texas (the “*Issuer*”) that, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriters. This offer is made subject to the Issuer’s written acceptance hereof on or before 10:00 p.m., Fannin County, Texas time, on June 28, 2022, and, if not so accepted, will be subject to withdrawal by the Underwriters upon written notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Order (as defined herein) or in the Official Statement (as defined herein). In the event of any inconsistencies between defined terms in the Order and the Official Statement, the Order shall control.

1. *Purchase and Sale of the Certificates.* Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriters hereby agree to purchase, jointly and severally, from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters, all, but not less than all, of the Issuer’s \$10,410,000 Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the “*Certificates*”). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer acknowledges and agrees that: (i) the transaction described in this Agreement is an arm’s length, commercial transaction between the Issuer and the Underwriters in which the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction described herein and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer on other matters); (iii) the primary role of the Underwriters, as underwriters, is to purchase securities, for resale to investors, in an arm’s length commercial transaction between the Issuer and the Underwriters and the Underwriters are acting solely in their capacity as underwriters for their own accounts, (iv) the only obligations the Underwriters have to the Issuer with respect to the transaction described herein expressly are set forth in this Agreement; (v) the Underwriters have financial and other interests that differ from

those of the Issuer; (vi) the Underwriters have provided to the Issuer prior disclosures under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”), which have been received by the Issuer; and (vii) the Issuer has consulted its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate. The Representative has been duly authorized to execute this Agreement and to act hereunder on behalf of the Underwriters.

The Certificates shall be as described in, and shall be issued and secured under and pursuant to the provisions of, the order adopted by the Commissioners Court of the Issuer on June 28, 2022 (the “Order”). The Certificates shall be dated July 1, 2022 (the “Dated Date”), and shall have the stated maturities, be offered at the prices, be subject to redemption prior to stated maturity, and bear interest from their Dated Date at the rates per annum all as set forth in the Order and Schedule II attached hereto.

The purchase price for the Certificates shall be \$11,138,660.60 (which reflects the principal amount of the Certificates, less an underwriting discount of \$59,328.75, plus a reoffering premium of \$787,989.35), plus accrued interest.

Delivered to the Issuer herewith as a common good faith deposit is a cashier’s check of the Representative payable to the order of the Issuer in clearing house funds in the amount of \$110,000.00. If the Issuer accepts this Agreement, such check shall be held uncashed by the Issuer until the time of Closing, at which time such check shall be returned uncashed to the Representative. If the Issuer does not accept this Agreement, such check will be immediately returned to the Representative. Should the Issuer fail to deliver the Certificates at the Closing, or should the Issuer be unable to satisfy the conditions of the obligations of the Underwriters to purchase, accept delivery of and pay for the Certificates, as set forth in this Agreement (unless waived by the Representative), or should such obligations of the Underwriters be terminated for any reason permitted by this Agreement, such check shall immediately be returned to the Representative. If the Underwriters fail (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Certificates at the Closing as herein provided, the Issuer shall cash such check and the amount of such check shall be retained by the Issuer as and for fully liquidated damages for such failure of the Underwriters and, except as set forth in Sections 8 and 10 hereof, no party shall have any further rights against the other hereunder. The Underwriters and the Issuer understand that in such event the Issuer’s actual damages may be greater or may be less than such amount. Accordingly, the Underwriters hereby waive any right to claim that the Issuer’s actual damages are less than such amount, and the Issuer’s acceptance of this Agreement shall constitute a waiver of any right the Issuer may have to additional damages from the Underwriters. The Representative hereby agrees not to stop or cause payment on such check to be stopped unless the Issuer has breached any material term of this Agreement and the Underwriters have elected to terminate this Agreement pursuant to Section 7 hereof.

In addition, each of the Underwriters, unless they are exempted under applicable law and have delivered a written representation to the Issuer to that effect, have each delivered the Certificate of Interested Parties Form 1295 (“Form 1295”) and certification of filings generated by the Texas Ethics Commission’s electronic portal, signed by an authorized agent, prior to the execution of this Agreement by the Issuer and the Representative. The Underwriters and the Issuer understand that neither the Issuer nor its consultants have the ability to verify the information included in Form 1295 or the representations with respect to the exemption claimed by any of the Underwriters, and neither the Issuer nor its consultants have an obligation, nor have

undertaken any responsibility, for advising the Underwriters with respect to the proper completion of Form 1295 other than, with respect to the Issuer, providing the identification numbers required for the completion of Form 1295.

2. *Establishment of Issue Price.* Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Certificates apply:

(a) The Representative, on behalf of the Underwriters, agrees to make a bona fide public offering of all of the Certificates and will, at or before Closing, execute and deliver to Norton Rose Fulbright US LLP (“*Bond Counsel*”), an issue price certificate for the Certificates, prepared by Bond Counsel, and in accordance with this Section (the “*Issue Price Certificate*”).

(b) For purposes of this Section 2, the following definitions apply:

(i) “*Public*” means any person other than an underwriter or a related party,

(ii) “*Issue Price Underwriter*” means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Certificates to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Certificates to the public),

(iii) a purchaser of any of the Certificates is a “*Related Party*” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) “*Sale Date*” means the date of execution of this Agreement by all parties.

(c) The Representative, on behalf of the Underwriters, agrees to assist the Issuer in establishing the issue price of the Certificates and shall execute and deliver to the Issuer at Closing the Issue Price Certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Representative, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the Initial Offering Price (as hereinafter defined) or prices to the Public of the Certificates. All actions to be taken by the Issuer under this section to establish the issue price of the Certificates may be taken

on behalf of the Issuer by the Issuer's municipal advisor identified herein and any notice or report to be provided to the Issuer may be provided to the Issuer's municipal advisor.

(d) The Issuer will treat the first price at which 10% of each maturity of the Certificates (the "*10% Test*") is sold to the Public as of the Sale Date as the issue price of that maturity. At or promptly after the execution of this Agreement, the Representative shall report to the Issuer the price or prices at which the Underwriters have sold to the Public each maturity of Certificates. Those maturities of the Certificates that do not satisfy the 10% Test as of the Sale Date will be identified in the Issue Price Certificate and will be subject to the Hold-The-Offering-Price Rule (as hereinafter defined). For purposes of this Section, if Certificates mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Certificates.

(e) The Representative confirms that the Underwriters have offered the Certificates to the Public on or before the date of this Agreement at the offering price or prices (the "*Initial Offering Price*"), or at the corresponding yield or yields, set forth in Schedule II attached hereto, except as otherwise set forth therein. The Issue Price Certificate will set forth the maturities, if any, of the Certificates for which the 10% Test has not been satisfied as of the Sale Date (the "*Held Maturities*"). The Issuer and the Underwriters agree that the restrictions set forth in the next sentence shall apply to the Held Maturities, which will allow the Issuer to treat the Initial Offering Price to the Public of each such maturity as of the Sale Date as the issue price of that maturity (the "*Hold-The-Offering-Price Rule*"). So long as the Hold-The-Offering-Price Rule remains applicable to any maturity of the Certificates, the Underwriters will neither offer nor sell unsold Certificates of that maturity to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (i) the close of the fifth (5th) business day after the Sale Date; or
- (ii) the date on which the Underwriters have sold at least 10% of that maturity of the Certificates to the Public at a price that is no higher than the initial offering price to the Public.

The Representative shall promptly advise the Issuer when the Underwriters have sold 10% of that maturity of the Certificates to the Public at a price that is no higher than the Initial Offering Price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

(f) The Issuer acknowledges that, in making the representation set forth in this subsection, the Representative will rely on (i) the agreement of each Underwriter to comply with the Hold-The-Offering-Price rule, as set forth in an agreement among the Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Certificates to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Certificates, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed

in connection with the initial sale of the Certificates to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Certificates, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Underwriter shall not be liable for the failure of any other Underwriter, any dealer who is a member of a selling group or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Certificates, including, but not limited to, its agreement to comply with the Hold-The-Offering-Price Rule, if applicable to the Certificates.

(g) The Representative confirms that: (i) Any agreement among Underwriters, any selling group agreement and each third-party distribution agreement relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Issue Price Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, to (A) comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Representative and as set forth in the related pricing wires, (B) promptly notify the Representative of any sales of Certificates that, to its knowledge, are made to a purchaser who is a Related Party to an Issue Price Underwriter participating in the initial sale of the Certificates to the Public, and (C) acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Representative shall assume that each order submitted by the dealer or broker-dealer is a sale to the Public, and (ii) any selling group agreement relating to the initial sale of the Certificates to the Public, together with the related pricing wires, contains or will contain language obligating each Issue Price Underwriter or dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Certificates to the Public to require each broker-dealer that is a party to such third-party distribution agreement to comply with the Hold-The-Offering-Price Rule, if applicable, if and for so long as directed by the Representative or an Underwriter and as set forth in the related pricing wires.

The Underwriters acknowledge that sales of any Certificates to any person that is a Related Party to an Issue Price Underwriter shall not constitute sales to the Public for purposes of this section.

3. *The Official Statement.*

(a) The Issuer previously has delivered, or caused to be delivered, copies in a “designated electronic format” as defined in and specified by Rule G-32 of the MSRB of the Preliminary Official Statement dated June 14, 2022 (the “*Preliminary Official Statement*”), to the Underwriters. The Issuer will prepare or cause to be prepared a final Official Statement relating to the Certificates, which will be (1) dated the date of this Agreement, (2) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (the “*Rule*”), and (3) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriters before the execution hereof. Such final Official Statement, including the cover page thereto, all exhibits, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements

thereto that may be authorized for use with respect to the Certificates, is herein referred to as the “*Official Statement*.” Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide, or cause to be provided to the Underwriters the Preliminary Official Statement in a “designated electronic format” so that the Underwriters may satisfy their obligations under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared for use by the Underwriters in connection with the public offering, sale and distribution of the Certificates. The Issuer hereby represents and warrants that the Preliminary Official Statement was “deemed final” by the Issuer as of its date, except for the omission of such information that is dependent upon the final pricing of the Certificates for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer hereby authorizes the Official Statement and the information therein contained to be used by the Underwriters in connection with the public offering and the sale of the Certificates. The Issuer consents to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Certificates. The Issuer shall provide, or cause to be provided, to the Representative as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement that is complete as of the date of its delivery to the Representative in a printed format in such quantity as the Representative shall reasonably request in order for the Underwriters to comply with Section (b)(4) of the Rule and the rules of the MSRB. The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement or Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriters are no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) 90 days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than 25 days after the “end of the underwriting period” for the Certificates), the Issuer becomes aware of any fact or event that might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Representative (and for the purposes of this clause provide the Underwriters with such information as the Representative may from time to time reasonably request), and if, in the reasonable opinion of the Representative, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer’s own expense (in a form and manner approved by the Representative, such approval not to be unreasonably withheld), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain

any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading or so that the Official Statement will comply with law provided, however, that for all purposes of this Agreement and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system or in the information provided by the Bond Insurer (as defined herein) under the caption “BOND INSURANCE”. If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Representative may deem reasonably necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement or cause any such amendment or supplement to be provided, in a “designated electronic format” consistent with the requirements of Rule G-32.

(e) The Representative hereby agrees to timely file or cause to be filed, the Official Statement (and any amendment or supplement to the Official Statement prepared in accordance with Section 3(d) above) with (i) the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access System) or (ii) other repositories required from time to time by the SEC (either in addition to or in lieu of the filing referred to in clause (i) above). Unless otherwise notified in writing by the Representative, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

4. *Representations, Warranties and Covenants of the Issuer.* The Issuer hereby represents and warrants to and covenants with the Underwriters that:

(a) The Issuer is a political subdivision of the State of Texas (the “State”) duly created, organized and existing under the laws of the State, and has full legal right, power and authority under Texas Local Government Code, Subchapter C, Chapter 271, as amended, Texas Local Government Code, Section 1473.002, as amended, Texas Local Government Code, Chapter 323, as amended (collectively, the “Act”), and at the date of the Closing will have full legal right, power and authority under the Act (i) to adopt the Order and to enter into, execute and deliver this Agreement, and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Order, and the other documents referred to in this clause (i) are hereinafter referred to as the “Issuer Documents”), (ii) to sell, issue and deliver the Certificates to the Underwriters as provided herein, and (iii) to carry out and consummate the transactions described in the Issuer Documents and the Official Statement and (iv) to utilize the proceeds from the sale of the Certificates for the purposes as described in the Official Statement, and the Issuer has complied, and will at the Closing be in compliance, in all material respects, with the terms of the applicable state law (including the Act), and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it

for (i) the adoption of the Order and the issuance and sale of the Certificates, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Certificates and the Issuer Documents and (iii) the consummation by it of all other transactions described in the Official Statement, the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions described herein and in the Official Statement;

(c) The Issuer Documents constitute legal, valid and binding obligations of the Issuer, enforceable against the Issuer in accordance with their respective terms, subject to principles of sovereign immunity, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Certificates, when issued, delivered and paid for, in accordance with the Order and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Order and enforceable in accordance with their terms, subject to municipal sovereign immunity, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Certificates as aforesaid, the Order will provide, for the benefit of the holders, from time to time, of the Certificates, the legally valid and binding pledge of and lien it purports to create as set forth in the Order;

(d) To its knowledge, the Issuer is not in material breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject, and no event has occurred and is continuing that constitutes or with the passage of time or the giving of notice, or both, would constitute a material default or event of default by the Issuer under any of the foregoing; and the execution and delivery of the Certificates, the Issuer Documents and the adoption of the Order and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default in any material respect under any constitutional provision, law or administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is otherwise subject or under the terms of any such law, regulation or instrument, except as provided by the Certificates and the Order;

(e) All authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter that are required for the due authorization of, that would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Certificates have been duly obtained, except for (i) the approval of the Certificates by the Attorney General of the State of Texas (and registration of the Certificates by the Comptroller of Public Accounts of the State of Texas); and (ii) such approvals, consents

and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Certificates;

(f) The Certificates and the Order conform to the descriptions thereof contained in the Official Statement under the caption “THE CERTIFICATES”; and the proceeds of the sale of the Certificates will be applied generally as described in the Official Statement under the caption “THE CERTIFICATES – Authority for Issuance”;

(g) Except as may otherwise be described in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the knowledge of the Issuer, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Certificates or the pledge, levy and collection of the ad valorem taxes or the limited amount of the Net Revenues derived from the operation of the Issuer’s library system pursuant to the Order or in any way contesting or affecting the validity or enforceability of the Certificates or the Issuer Documents, or contesting the exclusion from gross income of interest on the Certificates for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Certificates, the adoption of the Order or the execution and delivery of the Issuer Documents, nor, to the knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Certificates or the Issuer Documents;

(h) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(i) At the time of the Issuer’s acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 3 of this Agreement) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the “end of the underwriting period,” the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; provided, however, that if the Issuer notifies the Representative of any fact or event as required by Section 3(d) hereof, and the Representative determines that such fact or event does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then-current form shall be conclusively deemed to be complete and correct in all material respects and the Issuer shall have no further obligation under this section or Section 3(d) with respect to such event;

(j) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 3 of this Agreement, at the time of each supplement or amendment

thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including twenty-five (25) days subsequent to the “end of the underwriting period,” the Official Statement, as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading provided, however, that if the Issuer notifies the Representative of any fact or event as required by Section 3(d) hereof, and the Representative determines that such fact or event does not require preparation and publication of a supplement or amendment to the Official Statement, then the Official Statement in its then-current form shall be conclusively deemed to be complete and correct in all material respects and the Issuer shall have no further obligation under this section or Section 3(d) with respect to such event;

(k) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Certificates as provided in and subject to all of the terms and provisions of the Order and will not take or omit to take any action, which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Certificates;

(l) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriters as the Representative may reasonably request, at no expense to the Issuer, (A) to (y) qualify the Certificates for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Representative may designate and (z) determine the eligibility of the Certificates for investment under the laws of such states and other jurisdictions and (B) to continue such qualifications in effect so long as required for the distribution of the Certificates (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any general or special consents to service of process under the laws of any jurisdiction) and will advise the Representative immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Certificates for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(m) The financial statements of, and other financial information regarding, the Issuer in the Preliminary Official Statement and the Official Statement fairly present the financial position and results of operations and condition of the Issuer as of the dates and for the periods therein set forth; and there has been no adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, since the dates of such statements and information. The financial statements of the Issuer have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Official Statement, the other historical financial information set forth in the Official Statement has been presented on a basis consistent with that of the Issuer’s audited financial statements included in the Official Statement. Prior to the Closing, the Issuer will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer since the dates of such statements and information;

(n) The Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened that, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition or the operations of the Issuer;

(o) Prior to the Closing, the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the ad valorem tax revenues that will secure the Certificates without the prior written approval of the Representative, such approval not to be unreasonably withheld;

(p) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriters as to the statements made therein;

(q) The Issuer covenants that between the date hereof and the Closing it will take no actions within or under its control that will cause the representations and warranties made in this Section to be materially untrue as of the Closing; and

(r) Except as disclosed in the Official Statement, during the past five years, the Issuer has complied in all material respects with all previous undertakings required pursuant to the Rule.

By delivering the Official Statement to the Underwriters, the Issuer shall be deemed to have reaffirmed, with respect to the Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

5. *Closing.*

(a) At 10:00 a.m., Fannin County, Texas time, on July 27, 2022, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Representative (the "*Closing Date*"), the Issuer will, subject to the terms and conditions hereof, deliver to the Paying Agent/Registrar, as the entity appointed by the Issuer to take delivery of the Certificates, the initial Certificate registered in the name of the Representative, in temporary form, together with the other documents hereinafter mentioned, and will have available for immediate exchange definitive Certificates deposited with DTC, or deposited with the Paying Agent/Registrar, if the Certificates are to be held in safekeeping for DTC by the Paying Agent/Registrar pursuant to DTC's FAST system and the Order, duly executed and authenticated in the form and manner described below, and the Paying Agent/Registrar, as the entity appointed by the Issuer to take delivery of the Certificates, will, subject to the terms and conditions hereof, accept such delivery and the Underwriters will pay the purchase price of the Certificates as set forth in Section 1 hereof in immediately available funds (such events being referred to herein as the "*Closing*"). Immediately following such payment by the Underwriters, the Issuer shall return to the Representative, the check referred to in Section 1 hereof. Payment for the Certificates as aforesaid shall be made at the offices of the Paying Agent/Registrar or such other place as shall have been mutually agreed upon by the Issuer and the Representative.

(b) Delivery of the definitive Certificates in exchange for the initial Certificate shall be made through DTC, utilizing the book-entry-only form of issuance, and the Issuer agrees to enter into such agreement, if it has not already done so, including a “Letter of Representations,” as may be required to allow for the use of such book-entry-only system. The definitive Certificates shall be delivered in fully registered form bearing CUSIP numbers without coupons with one Certificate for each maturity registered in the name of CEDE & CO. and shall be made available to the Representative at least one business day before the Closing Date for purposes of inspection, except that the failure to include CUSIP numbers or the printing of an incorrect CUSIP number on any Certificate shall not be a default under this Agreement.

6. *Closing Conditions.* The Underwriters have entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriters’ obligations under this Agreement to purchase, to accept delivery of and to pay for the Certificates shall be conditioned upon the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Representative, unless waived in writing by the Representative on behalf of the Underwriters:

(a) The representations and warranties of the Issuer contained herein shall be true, complete and correct in all material respects on the date hereof and on and as of the date of the Closing, as if made on the date of the Closing;

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Certificates shall be in full force and effect and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Representative or as required by the Attorney General of Texas, which amendments, modifications or supplements shall not require Underwriters’ approval; and (ii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for Bond Counsel to deliver its opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Certificates and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except in any such case as may have been agreed to by the Representative;

(e) At or prior to the Closing, the Order shall have been duly adopted by the Commissioners Court in accordance with law, and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the Certificates;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the reasonable judgment of the Representative, is material and adverse and that makes it, in the reasonable judgment of the Representative, impracticable to market the Certificates on the terms and in the manner described in the Official Statement;

(g) The Issuer shall not currently be in default in the payment of principal or interest when due on any of its outstanding obligations for borrowed money;

(h) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Representative;

(i) At or prior to the Closing, the Representative or counsel to the Underwriters shall have received one copy of each of the following documents:

(1) the Official Statement, and each supplement or amendment thereto, if any, as may have been agreed to by the Representative in (i) a “designated electronic format” that meets the requirements of Rule G-32 and (ii) in a printed format, if requested;

(2) the Order and the other Issuer Documents with such supplements or amendments, as applicable, as may have been agreed to by the Representative or required by the Attorney General of Texas;

(3) the approving opinion of Bond Counsel with respect to the Certificates, in substantially the form attached to the Official Statement;

(4) a supplemental opinion of Bond Counsel addressed to the Underwriters, substantially to the effect that:

(i) the Order has been duly adopted by the Issuer and is in full force and effect;

(ii) the Certificates are exempted securities under the Securities Act of 1933, as amended (the “1933 Act”), and the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”) and it is not necessary, in connection with the offering and sale of the Certificates, to register the Certificates under the 1933 Act or to qualify the Order under the Trust Indenture Act; and

(iii) except to the extent set forth below, said firm has not verified and is not passing upon, and does not assume any responsibility for the accuracy, completeness or fairness of the statements and information contained in the Official Statement but that said firm has reviewed the statements and information contained in the Official Statement under the captions “THE CERTIFICATES”

(except for the information contained in the subcaptions “Sources and Uses”, “Payment Record” and “Default and Remedies”, as to which no opinion is expressed), “TAX MATTERS”, “CONTINUING DISCLOSURE OF INFORMATION” (except under the subheading “Compliance with Prior Agreements”, as to which no opinion is expressed), “OTHER PERTINENT INFORMATION–Registration and Qualification of Certificates For Sale”, “OTHER PERTINENT INFORMATION–Legal Investments and Eligibility to Secure Public Funds in Texas”, and “OTHER PERTINENT INFORMATION–Legal Opinions and No-Litigation Certificate” in the Official Statement and such firm is of the opinion that the information relating to the Certificates and the Order contained under such captions is a fair and accurate summary of the information purported to be shown and that the information and descriptions contained under such captions relating to the provisions of applicable state and federal laws are correct as to matters of law, and such information conforms to the Order;

(5) An opinion, dated the date of the Closing and addressed to the Underwriters, of counsel for the Underwriters, to the effect that:

(i) the Certificates are exempted securities under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Certificates, to register the Certificates under the 1933 Act and the Order need not be qualified under the Trust Indenture Act;

(ii) based upon their participation in the preparation of the Official Statement as counsel for the Underwriters and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding DTC and its book-entry-only system as to which no view need be expressed); and

(iii) based upon: (a) their understanding of the Rule (and interpretive guidance published by the United States Securities and Exchange Commission relating thereto); (b) their review of the continuing disclosure undertaking of the Issuer contained in the Order; and (c) the inclusion in the Official Statement of a description of the specifics of such undertakings and the Underwriters’ reliance on the opinion of Bond

Counsel that the Order has been duly adopted by the Issuer and is a valid and binding obligation of the Issuer, such counsel advise the Underwriters that such undertakings provide a suitable basis for the Underwriters, and any other broker, dealer, or municipal securities dealer acting as a Participating Underwriters (as defined in the Rule) in connection with the offering of the Certificates, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule;

(6) A certificate, dated the date of Closing, of an authorized official of the Issuer to the effect that (i) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation or proceeding or material tax challenge against the Issuer is pending or, to his or her knowledge, threatened in any court or administrative body nor is there a basis for litigation that would (a) contest the right of the members, officers or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Certificates or the Issuer Documents, or (d) attempt to limit, prohibit, restrain or enjoin or otherwise restrict or prevent the Issuer from functioning and levying and collecting ad valorem tax revenues, pledged to pay principal of and interest on the Certificates, or the pledge thereof; (iii) all official actions of the Issuer relating to the Official Statement, the Certificates and the Issuer Documents have been duly taken and adopted by the Issuer and the Order has been duly adopted by the Issuer, and all are in full force and effect and have not been modified, amended, supplemented, or repealed; (iv) to his or her knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (v) except as disclosed in the Preliminary Official Statement, there has not been any material adverse change in the financial condition of the Issuer since September 30, 2021, the latest date as of which audited financial information of the Issuer is available;

(7) A certificate of the Issuer in form and substance reasonably satisfactory to Bond Counsel and counsel to the Underwriters setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Certificates will be used in a manner that would cause the Certificates to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed) issued pursuant to the Code;

(8) Any other certificates and opinions required by the Order for the issuance thereunder of the Certificates;

(9) The approving opinion of the Attorney General of the State of Texas and the registration certificate of the Comptroller of Public Accounts of the State of Texas in respect of the Certificates;

(10) Assured Guaranty Municipal Corp. (the “*Bond Insurer*”) shall have delivered to the Issuer the municipal bond insurance policy (the “*Municipal Bond Insurance Policy*”) issued by the Bond Insurer on the Closing Date with respect to the Certificates in the form set forth in an Appendix to the Official Statement;

(11) a letter from S&P Global Ratings, Inc. indicating an underlying rating of not less than “AA-”, without regard to credit enhancement; and a letter from S&P indicating that the Certificates have been rated not lower than “AA”, based upon the issuance of the Municipal Bond Insurance Policy by the Bond Insurer, and that such ratings are in effect as of the date of the Closing; and

(12) Such additional legal opinions, certificates, instruments and other documents as the Representative or counsel to the Underwriters may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer’s representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance reasonably satisfactory to Bond Counsel and the Representative.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Certificates contained in this Agreement, or if the obligations of the Underwriters to purchase, to accept delivery of and to pay for the Certificates shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriters nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriters set forth in Section 1 (with respect to the good faith check) 4 and 8 hereof shall continue in full force and effect.

7. *Termination.* The Representative shall have the right to cancel the Underwriters’ obligation to purchase the Certificates (as evidenced by a written notice to the Issuer terminating the obligation of the Underwriters to accept delivery of and pay for the Certificates) if, between the date of this Agreement and the Closing, the market price or marketability of the Certificates shall be materially adversely affected, in the reasonable judgment of the Representative by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service, or favorably reported for passage to either Chamber of the Congress by any committee of such Chamber to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon revenues or other income of the general character to be derived by the Issuer pursuant to the Order, or upon interest received on obligations of the general character of the Certificates of the interest on the Certificates as described in the Official Statement, or other action or events shall have transpired that may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions described herein;

(b) legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), no action letter, press release or other form of notice issued or made by or on behalf of the United States Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Certificates, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act or the Securities Exchange Act of 1934, as amended and then in effect, or that the Order is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Certificates, including any or all underlying arrangements, as described herein or in the Official Statement or otherwise, is or would be in violation of any provision of federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body in any jurisdiction in which at least 10% of the principal amount of the Certificates have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Certificates as described herein, or issued a stop order or similar ruling relating thereto, provided that such withholding or stop order is not due to the malfeasance, misfeasance or nonfeasance of the Underwriters;

(d) a general suspension of trading in securities on the New York Stock Exchange or other United States national securities exchange, the establishment of minimum or maximum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) there shall have occurred any (a) new material outbreak of hostilities involving the United States (including, without limitation, an act of terrorism) or (b) new

material other national or international calamity or crisis, or any material adverse change in the financial, or political, economic conditions affecting the United States, including, but not limited to, an escalation of hostilities or pandemic that existed prior to the date hereof and any such event shall affect the financial markets of the United States, making it impracticable, in the reasonable judgment of the Representative, to sell the Certificates on the terms and in the manner described in the Official Statement; provided however, that continuing trends of existing civil unrest or COVID-19 infections shall not result in a termination right of the Underwriters hereunder;

(f) the New York Stock Exchange or other United States national securities exchange or any governmental authority, shall impose, as to the Certificates or as to obligations of the general character of the Certificates, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriters;

(g) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income, securities (or interest thereon), or the validity or enforceability of the assessments or the levy of taxes pledged to pay principal of and interest on the Certificates;

(h) any event occurring, or information becoming known that, in the reasonable judgment of the Representative, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Certificates or the ability of the Underwriters to enforce contracts for sale of the Bonds;

(i) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for any changes that the Official Statement discloses are expected to occur;

(j) since the date of this Agreement the United States shall have become engaged in hostilities that have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a material national or international calamity or crisis, financial or otherwise (including, without limitation, a pandemic), or material escalation of such event that existed prior to the date hereof;

(k) any material fact or event shall exist or have existed that, in the Representative's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement and the Issuer has failed to amend or supplement the Official Statement in compliance with this Agreement;

(l) there shall have occurred any downgrading, or any published notice shall have been given of (A) any intended or potential downgrading or (B) any review or possible change that does not indicate a possible upgrade, in the rating accorded any of the Issuer's obligations secured in a like manner as the Certificates (including the rating to be accorded the Certificates) or the rating of the Bond Insurer, except any such notice or occurrence that is disclosed in the Official Statement;

(m) the purchase of and payment for the Certificates by the Underwriters, or the resale of the Certificates by the Underwriters, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission and such prohibition is not the result of the Underwriters' acts or failure to act; provided, however, that such prohibition occurs after the date of this Agreement; or

(n) a material disruption in commercial banking or securities settlement, payment or clearance services shall have occurred and shall be continuing on the Closing Date.

With respect to the condition described in subparagraphs (f) and (m) above, the Underwriters are not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement that would permit the Representative to invoke the Underwriters termination rights hereunder.

8. *Expenses.*

(a) The Underwriters shall be under no obligation to pay, and the Issuer shall pay, any expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Certificates; (ii) the fees and disbursements of Bond Counsel to the Issuer; (iii) the fees and disbursements of the Financial Advisor to the Issuer; (iv) the fees and disbursements of any other engineers, accountants, and other experts, consultants or advisers retained by the Issuer; (v) the fees for bond ratings and Municipal Bond Insurance Policy; (vi) the costs of preparing, printing and mailing the Preliminary Official Statement and the Official Statement; (vii) the fees and expenses of the Paying Agent/Registrar; (viii) the Attorney General's examination fee; (ix) the out-of-pocket, miscellaneous and closing expenses, including the cost of travel, of the officers and members of the Issuer; and (x) any other expenses mutually agreed to by the Issuer and the Representative to be reasonably considered expenses of the Issuer that are incident to the transactions described herein.

(b) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Certificates.

(c) The Underwriters shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum (if any); (ii) all advertising expenses in connection with the public offering of the Certificates; and (iii) all other expenses incurred by them in connection with the public offering of the Certificates, including the fees and disbursements of counsel retained by the Underwriters.

(d) The Issuer acknowledges that the Representative will pay from the underwriter's expense allocation of the underwriting discount certain fees, including the applicable per bond assessment charged by the Municipal Advisory Council of Texas. The Municipal Advisor Council of Texas is a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

9. *Notices.* Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at Fannin County, Texas, 101 E. Sam Rayburn Drive, Suite 101, Bonham, Texas 75418, Attention: County Judge, and any notice or other communication to be given to the Underwriters under this Agreement may be given by delivering the same in writing to Robert W. Baird & Co. Incorporated, 1700 Post Oak Blvd, Suite 600, Houston, Texas 77056, Attention: Mark Nitcholas.

10. *Parties in Interest.* This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriters (including successors or assigns of the Underwriters) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations and warranties contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Underwriters; (ii) delivery of and payment for the Certificates pursuant to this Agreement; and (iii) any termination of this Agreement.

11. *Effectiveness.* This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

12. *Choice of Law.* This Agreement shall be governed by and construed in accordance with the laws of the State.

13. *Severability.* If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with a provision or provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatever.

14. *Business Day.* For purposes of this Agreement, "business day" means any day on which the New York Stock Exchange is open for trading.

15. *Section Headings.* Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

16. *Counterparts.* This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document. Delivery of an executed counterpart of a signature page of this Agreement by telecopy, emailed

pdf. or any other electronic means that reproduces an image of the actual executed signature page shall be effective as delivery of a manually executed counterpart of this Agreement.

17. *No Personal Liability.* None of the members of the Commissioners Court, nor any officer, agent or employee of the Issuer, shall be charged personally by the Underwriters with any liability, or be held liable to the Underwriters under any term or provision of this Agreement or any other document relating to the Certificates, or because of execution or attempted execution, or because of any breach or attempted or alleged breach of this Agreement or any other document relating to the Certificates.

18. *Anti-Boycott Verification.* Each of the Underwriters hereby verifies that such Underwriter and its parent companies, wholly or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Texas or federal law. As used in the foregoing verification, ‘boycott Israel’ means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. Each of the Underwriters understand “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriters and exists to make a profit.

19. *Anti-Terror Verification.* As of the date hereof, each of the Underwriters represents that neither such Underwriter nor any of its parent companies, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer’s internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable State of federal law and excludes the Underwriters and each of their parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Underwriters understand “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Underwriters and exists to make a profit.

20. *Verification Regarding Firearm Entities and Firearm Trade Associations.* To the extent this Agreement constitutes a contract for goods or services for which a written verification is required under Section 2274.002 (as added by Senate Bill 19 in the 87th Texas Legislature, Regular Session (“SB 19”)), Texas Government Code, as amended, each Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates,

if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. The foregoing verification is made solely to enable the City to comply with such Section and to the extent such Section does not contravene applicable Federal or Texas law. As used in the foregoing verification and the following definitions, (a) ‘discriminate against a firearm entity or firearm trade association,’ a term defined in Section 2274.001(3), Texas Government Code (as enacted by SB 19), (A) means, with respect to the firearm entity or firearm trade association, to (i) refuse to engage in the trade of any goods or services with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, (ii) refrain from continuing an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association, or (iii) terminate an existing business relationship with the firearm entity or firearm trade association based solely on its status as a firearm entity or firearm trade association and (B) does not include (i) the established policies of a merchant, retail seller, or platform that restrict or prohibit the listing or selling of ammunition, firearms, or firearm accessories and (ii) a company’s refusal to engage in the trade of any goods or services, decision to refrain from continuing an existing business relationship, or decision to terminate an existing business relationship (aa) to comply with federal, state, or local law, policy, or regulations or a directive by a regulatory agency or (bb) for any traditional business reason that is specific to the customer or potential customer and not based solely on an entity’s or association’s status as a firearm entity or firearm trade association, (b) ‘firearm entity,’ a term defined in Section 2274.001(6), Texas Government Code (as enacted by SB 19), means a manufacturer, distributor, wholesaler, supplier, or retailer of firearms (defined in Section 2274.001(4), Texas Government Code, as enacted by such Senate Bill, as weapons that expel projectiles by the action of explosive or expanding gases), firearm accessories (defined in Section 2274.001(5), Texas Government Code, as enacted by SB 19, as devices specifically designed or adapted to enable an individual to wear, carry, store, or mount a firearm on the individual or on a conveyance and items used in conjunction with or mounted on a firearm that are not essential to the basic function of the firearm, including detachable firearm magazines), or ammunition (defined in Section 2274.001(1), Texas Government Code, as enacted by such SB 19, as a loaded cartridge case, primer, bullet, or propellant powder with or without a projectile) or a sport shooting range (defined in Section 250.001, Texas Local Government Code, as a business establishment, private club, or association that operates an area for the discharge or other use of firearms for silhouette, skeet, trap, black powder, target, self-defense, or similar recreational shooting), and (c) ‘firearm trade association,’ a term defined in Section 2274.001(7), Texas Government Code (as enacted by SB 19), means any person, corporation, unincorporated association, federation, business league, or business organization that (i) is not organized or operated for profit (and none of the net earnings of which inures to the benefit of any private shareholder or individual), (ii) has two or more firearm entities as members, and (iii) is exempt from federal income taxation under Section 501(a), Internal Revenue Code of 1986, as an organization described by Section 501(c) of that code.

21. *Verification Regarding Energy Companies.* To the extent this Agreement constitutes a contract for goods or services for which a written verification statement is required under Section 2274.002 (as added by Senate Bill 13 in the 87th Texas Legislative Session), Texas Government Code, as amended, each of the Underwriters hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. The foregoing verification is made solely to

comply with Section 2274.002, Texas Government Code, as amended, to the extent Section 2274.002, Texas Government Code, as amended, does not contravene applicable Texas or federal law. As used in the foregoing verification, “boycott energy companies” shall mean, without an ordinary business purpose, refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations with a company because the company (A) engages in the exploration, production, utilization, transportation, sale, or manufacturing of fossil fuel-based energy and does not commit or pledge to meet environmental standards beyond applicable federal and state law; or (B) does business with a company described by (A) above. Each of the Underwriters understands “affiliate” to mean any entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

22. *Definition of the Term Affiliate.* As used in Sections 18 through 21, each Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit.

23. *Attorney General Standing Letter.* Each Underwriter represents that it has on file with the Texas Attorney General a standby letter addressing the representation and verifications in Sections 20 through 23 of this Agreement in a form acceptable to the Texas Attorney General. The Underwriter has provided the City with a copy of such letter.

24. *Entire Agreement.* This Agreement represents the entire agreement between the Issuer and the Underwriters with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Certificates.


[Signature Page Follows]

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED
ESTRADA HINOJOSA & COMPANY, INC.

By: ROBERT W. BAIRD & CO. INCORPORATED

By:  _____
Authorized Official

Accepted and agreed to as of the date first set forth above, at ____ : ____ .m. Central Time

FANNIN COUNTY, TEXAS

By: _____
Authorized Official

FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Signature Page

If you agree with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Representative. This Agreement shall become a binding agreement between you and the Underwriters when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Very truly yours,

ROBERT W. BAIRD & CO. INCORPORATED
ESTRADA HINOJOSA & COMPANY, INC.

By: ROBERT W. BAIRD & CO. INCORPORATED

By: _____
Authorized Officer

Accepted and agreed to as of the date first set forth above, at 9:15 a.m. Central Time

FANNIN COUNTY, TEXAS

By:


Authorized Official

FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

Signature Page

#2022307.5

SCHEDULE I

Underwriters

ROBERT W. BAIRD & CO. INCORPORATED
ESTRADA HINOJOSA & COMPANY, INC.

SCHEDULE II

MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS

\$10,410,000
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF
OBLIGATIONS, SERIES 2022

\$4,655,000 Serial Certificates

Maturity Date	Amount	Rate	Yield	Price
03/01/2023	100,000	5.000%	1.950%	101.792
03/01/2024	230,000	5.000%	2.210%	104.345
03/01/2025	245,000	5.000%	2.450%	106.369
03/01/2026	255,000	5.000%	2.620%	108.111
03/01/2027	270,000	5.000%	2.710%	109.827
03/01/2028	280,000	5.000%	2.880%	110.879
03/01/2029	295,000	5.000%	3.040%	111.629
03/01/2030	310,000	5.000%	3.170%	112.262
03/01/2031	325,000	5.000%	3.270%	112.867
03/01/2032	345,000	5.000%	3.380%	113.177
03/01/2033	360,000	5.000%	3.500%	112.132 C
03/01/2034	380,000	5.000%	3.610%	111.184 C
03/01/2035	400,000	5.000%	3.690%	110.500 C
03/01/2036	420,000	5.000%	3.750%	109.991 C
03/01/2037	440,000	5.000%	3.780%	109.737 C

(Interest on the Certificates to accrue from the Dated Date)

[See next page for Term Certificates, yield-to-call calculation, and Optional Redemption.]

\$5,755,000 Term Certificates

Term Bond of March 1, 2042:

Maturity Date	Amount	Rate	Yield	Price
03/01/2038	465,000	4.500%	4.150%	102.743 C
03/01/2039	485,000	4.500%	4.150%	102.743 C
03/01/2040	505,000	4.500%	4.150%	102.743 C
03/01/2041	530,000	4.500%	4.150%	102.743 C
03/01/2042	555,000	4.500%	4.150%	102.743 C

Term Bond of March 1, 2047:

Maturity Date	Amount	Rate	Yield	Price
03/01/2043	580,000	5.000%	4.050%	107.486 C
03/01/2044	610,000	5.000%	4.050%	107.486 C
03/01/2045	640,000	5.000%	4.050%	107.486 C
03/01/2046	675,000	5.000%	4.050%	107.486 C
03/01/2047	710,000	5.000%	4.050%	107.486 C

(Interest on the Certificates to accrue from the Dated Date)

C Yield calculated on the assumption the Certificates denoted and sold at premium will be redeemed on March 1, 2032, the first optional call date for the Certificates, at a price of par plus accrued interest to the date of redemption.

Optional Redemption. The Issuer reserves the right to redeem the Certificates maturing on and after March 1, 2033 on March 1, 2032 or any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, at the redemption price of par plus accrued interest to the date of redemption.

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

\$10,410,000

**FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022**

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Robert W. Baird & Co. Incorporated (the “*Representative*”), and the other members of the underwriting syndicate (collectively, the “*Underwriting Group*”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “*Certificates*”) of the Fannin County, Texas (the “*Issuer*”).

1. *Sale of the General Rule Maturities.* As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. *Initial Offering Price of the Hold-the-Offering-Price Maturities.*

(a) The Underwriting Group offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.

(b) As set forth in the Purchase Agreement, the members of the Underwriting Group agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*hold-the-offering-price rule*”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail or other third-party distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail or other third-party distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.

3. *Defined Terms.*

(a) General Rule Maturities means those Maturities of the Certificates listed in Schedule A hereto as the “*General Rule Maturities*.”

(b) Hold-the-Offering-Price Maturities means those Maturities of the Certificates listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities*.”

(c) Holding Period means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth

business day after the Sale Date, or (ii) the date on which the Underwriter Group sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) Maturity means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) Public means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is June 28, 2022.

(g) Underwriter means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail or other third-party distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the tax certificate with respect to the Certificates and with respect to compliance with the federal income tax rules affecting the Certificates, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates. The representations set forth herein are not necessarily based on personal knowledge.

ROBERT W. BAIRD & CO. INCORPORATED

By: _____

Name: _____

Title: _____

Dated: _____

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

**FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022**

GENERAL RULE MATURITIES

<u>Maturity (3/1)</u>	<u>Sales Price (%) (expressed as a yield)</u>
-----------------------	---

*Yield calculated on the assumption the Certificates denoted and sold at premium will be redeemed on March 1, 2032, the first optional call date for the Certificates, at a price of par plus accrued interest to the date of redemption.

HOLD-THE-OFFERING-PRICE MATURITIES

<u>Maturity (3/1)</u>	<u>Sales Price (%) (expressed as a yield)</u>
-----------------------	---

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

IN WITNESS WHEREOF, I have signed my name officially and affixed the seal of the Commissioners Court, this 26th day of April, 2022.

Jammy Biggan by Angela Trajean, D_e &
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Fannin County, Texas

(SEAL OF COMMISSIONERS COURT)



RESOLUTION

A RESOLUTION BY THE COMMISSIONERS COURT OF FANNIN COUNTY, TEXAS AUTHORIZING AND APPROVING PUBLICATION OF NOTICE OF INTENTION TO ISSUE CERTIFICATES OF OBLIGATION; COMPLYING WITH THE REQUIREMENTS CONTAINED IN SECURITIES AND EXCHANGE COMMISSION RULE 15c2-12; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court (the *Commissioners Court*) of Fannin County, Texas (the *County*) has determined that it is advisable and necessary to issue and sell one or more series of certificates of obligation (the *Certificates*) in an amount not to exceed \$11,000,000 as provided pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, Section 271.041 through Section 271.064, for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain of the net revenues derived from the operation of the County's Library System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code; and

WHEREAS, prior to the offering, sale, and issuance of the Certificates, the appropriate officials of the County must review and approve the distribution of a "deemed final" preliminary official statement (the *Official Statement*) in order to comply with the requirements contained in 17 C.F.R. §240.15c2-12 (the *Securities and Exchange Commission Rule*); and

WHEREAS, based upon their review of the Official Statement, the appropriate officials of the County must find to the best of their knowledge and belief, after reasonable investigation, that the representations of facts pertaining to the County contained in the Official Statement are true and correct and that, except as disclosed in the Official Statement, there are no facts pertaining to the County that would adversely affect the issuance of the Certificates or the County's ability to pay the debt service requirements on the Certificates when due; and

WHEREAS, the Commissioners Court will comply with the requirements contained in the Securities and Exchange Commission Rule concerning the creation of a contractual obligation between the County and the proposed purchaser(s) of the Certificates (the *Purchasers*) to provide the Purchasers with an Official Statement in a time and manner that will enable the Purchasers to

comply with the distribution requirements and continuing disclosure requirements contained in the Securities and Exchange Commission Rule; and

WHEREAS, the Commissioners Court authorizes the County Judge, County Auditor, County Clerk, and County Attorney, as appropriate, or their designees, to review, approve, and execute any document or certificate in order to allow the County to comply with the requirements contained in the Securities and Exchange Commission Rule; and

WHEREAS, prior to the issuance of the Certificates, the Commissioners Court is required to publish notice of its intention to issue the Certificates in a newspaper of general circulation in the County, and if the County maintains an internet website, publish such notice of intent on the County's internet website, such notice stating (i) the time and place the Commissioners Court tentatively proposes to pass the order authorizing the issuance of the Certificates, (ii) the purposes for which the Certificates are to be issued, (iii) the manner in which the Commissioners Court proposes to pay the Certificates, (iv) the then-current principal amount of all outstanding ad valorem debt obligations of the County, (v) the then-current combined principal and interest required to pay all outstanding ad valorem debt obligations of the County on time and in full, which may be based on the County's expectations relative to the interest due on any variable rate ad valorem debt obligations, (vi) the maximum principal amount of the Certificates to be authorized, (vii) the estimated interest rate for the Certificates to be authorized or that the maximum interest rate for the Certificates may not exceed the maximum legal interest rate, and (viii) the maximum maturity date of the Certificates to be authorized; and

WHEREAS, the Commissioners Court hereby finds and determines that such documents pertaining to the sale of the Certificates should be approved, and the County should proceed with the giving of notice of intention to issue the Certificates in the time, form, and manner provided by law; and

WHEREAS, the Commissioners Court hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the County; now, therefore,

BE IT RESOLVED BY THE COMMISSIONERS COURT OF FANNIN COUNTY, TEXAS THAT:

SECTION 1. The County Clerk is hereby authorized and directed to cause notice to be published of the Commissioners Court's intention to issue the Certificates in an amount not to exceed \$11,000,000 for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit(1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and are additionally secured by a

lien on and pledge of certain revenues derived from the operation of the County's Library System. The notice hereby approved and authorized to be published shall read substantially in the form and content of Exhibit A attached hereto, which notice is incorporated herein by reference as a part of this Resolution for all purposes.

SECTION 2. The County Clerk shall cause the notice described in Section 1 to be published in a newspaper of general circulation in the County, once a week for two consecutive weeks, the date of the first publication shall be at least forty-six (46) days prior to the date stated therein for passage of the order authorizing the issuance of the Certificates. Additionally, the County Clerk shall cause the notice described in Section 1 to be posted continuously on the County's website for at least forty-five (45) days prior to the date stated therein for passage of the order authorizing the issuance of the Certificates.

SECTION 3. The County Judge, County Auditor, County Clerk, and County Attorney, as appropriate, or their designees, are authorized to review and approve the Official Statement pertaining to the offering, sale, and issuance of the Certificates and to execute any document or certificate in order to comply with the requirements contained in the Securities and Exchange Commission Rule.

SECTION 4. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Commissioners Court.

SECTION 5. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 6. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 7. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Commissioners Court hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 8. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 9. This Resolution shall be in force and effect from and after the date of its adoption, and it is so resolved.

PASSED AND APPROVED, this the 26th day of April, 2022.



FANNIN COUNTY, TEXAS
Randy Moore
County Judge

ATTEST:

Jammy Biggs by Angela Inojin, Deputy
County Clerk and Ex-Officio
Clerk of the Commissioners Court

(SEAL OF COMMISSIONERS COURT)

Exhibit A

NOTICE OF INTENTION TO ISSUE
FANNIN COUNTY, TEXAS
CERTIFICATES OF OBLIGATION

TAKE NOTICE that the Commissioners Court (the *Court*) of Fannin County, Texas (the *County*), shall convene at 9:00 o'clock A.M. on the 28th day of June, 2022, at its regular meeting place in Fannin County Courthouse, and, during such meeting, the Court will consider the passage of an order authorizing the issuance of certificates of obligation (the *Certificates*) in an amount not to exceed \$11,000,000 for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain revenues derived by the County from the operation of the County's Library System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the County outstanding public securities secured by and payable from ad valorem taxes is \$21,005,000; (ii) the current combined principal and interest required to pay all of the County's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$29,694,881; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$17,436,698; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is September 1, 2047. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code.

 /s/ Tammy Biggar
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Fannin County,
Texas

AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS

§

COUNTY OF FANNIN

§

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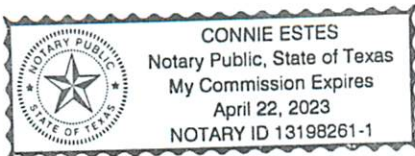
BEFORE ME, the undersigned authority, a Notary Public in and for the State of Texas, on this day personally appeared Sharon Haynes, who, after being by me duly sworn, upon oath says that he/she is a representative of the Fannin County Leader, a newspaper of general circulation in Fannin County, Texas, which newspaper satisfies each of the requirements of Subchapter C, Chapter 2051, as amended, Texas Government Code, so as to constitute an official publication in which legal notices may be published as set forth in Subchapter C, Chapter 2051, as amended, Texas Government Code, and that there was published in said newspaper a true and correct copy of the attached NOTICE OF INTENTION to issue certificates of obligation on the following dates:

MAY 3, 2022

MAY 10, 2022

Sharon Haynes
Signature

SUBSCRIBED AND SWORN TO before me, the undersigned authority, on the 10 day of MAY, 2022, to verify which witness my hand and seal of office.



Connie Estes
Notary Public in and for the State of Texas

(NOTARY SEAL)

SHOP AND DINE IN HISTORIC DOWNTOWN BONHAM

SOUTH MAIN STREET, EAST SIDE

Sponsored By:



Bonham Family Drug

Luna Azul Restaurant

Blessing & Butterflies

Edward Jones

United Motors Garage

Your Classifieds will be published in 15,000+ papers.
Great return for \$ 5 or \$7. Call 903-583-3280

Volunteers Wanted

To support activities at the City of Bonham Senior Citizens Center. Become a member of the Friends of Bonham Senior Citizens Center and use your talents to support programs at the Senior Center. For information text Rich at 214-738-9975.

Submitted by Rich Summers, President
Friends of the Bonham Senior Citizens Center
214-738-9975
Fax: 903-449-4404
rlsummers@reagan.com

Savoy High School news



Pictured left to right -

Back Row – Cason Hagood, Vaden Wood, Chris Miller, Jacob Lawson, Ethan Webb, Caleb Horn, Mason Merryman, Matthew Catchings, Seth Simpson

Middle row – Kenli Hardy, Kyrsten Hall, Adriana Amaya, Brylie Leach, Cassie Morrison, Abbi Murphy

Front Row – Hannah Brooks, Mia Galvan, Sarah Gilliland, Tabitha Baecht

Seated – SHS Director Laurie Cutler

Press Release - Savoy One Act Play has advanced to REGIONALS with Shipwrecked! The Amazing Adventures of Louis de Rougemont by Donald Margulies. At the Area contest on April 2nd, Savoy placed 3rd and 4 students won individual awards. Savoy's OAP is directed by Ms Laurie Cutler.

Savoy will perform at the Region III contest at Waxahachie High School Per-

forming Arts Center on Friday, April 22, 2022.

Savoy Award Winners:

Area Contest, April 2, 2022

All Star Cast: Tabitha Baecht

Honorable Mention: Matthew Catchings

Honorable Mention: Brylie Leach

Honor Crew: Mason Merryman (Sound & Music)

NOTICE TO BIDDERS

Jones Field

TxDOT Solicitation No.: NTB-2201BONHM-00041

A "Notice to Bidders" is issued for construction of airport improvements at Jones Field for: Runway Pavement Overlay, Taxiway Pavement Rehabilitation, and Lighting Improvements. Sealed bids need to be addressed and delivered to Heather Stockton, City Secretary, City of Bonham, 514 Chestnut St. Bonham, Texas 75418. Bids will be received until 2:00 PM, May 26, 2022, then publicly opened and read. Any bid received after closing time will be returned unopened.

Bidders may print free plan sets from Plans Online

<http://www.txdot.gov/inside-txdot/division/support/plans-online.html>. Or bidders may buy plan sets from the Reproduction companies listed on the website.

Questions concerning specifications and plans should be directed to, Chad Pennel, P.E. with KSA Engineers, Inc., at 972-542-2995. Visit the Aviation website

<http://www.txdot.gov/inside-txdot/division/aviation/projects.html> or call Brenda Flores-Dollar, TxDOT, Aviation, at 512-416-4514, for bid information.

NOTICE OF INTENTION TO ISSUE FANNIN COUNTY, TEXAS CERTIFICATES OF OBLIGATION

TAKE NOTICE that the Commissioners Court (the *Court*) of Fannin County, Texas (the *County*), shall convene at 9:00 o'clock A.M. on the 28th day of June, 2022, at its regular meeting place in Fannin County Courthouse, and, during such meeting, the Court will consider the passage of an order authorizing the issuance of certificates of obligation (the *Certificates*) in an amount not to exceed \$11,000,000 for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain revenues derived by the County from the operation of the County's Library System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the County outstanding public securities secured by and payable from ad valorem taxes is \$21,005,000; (ii) the current combined principal and interest required to pay all of the County's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$29,694,881; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$17,436,698; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is September 1, 2047. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code.

/s/ Tammy Biggar
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Fannin County,
Texas

BID NOTICE

WHITEWRIGHT COMMUNITY DEVELOPMENT CORPORATION INVITATION TO BID

CHRISTMAS LIGHTING – CITY OF WHITEWRIGHT

Notice is hereby given to all interested parties that the Whitewright Community Development Corporation will accept Sealed Bids for the following:

Bid No. 2022-1

Christmas lights installation using existing Christmas lights and removal for City of Whitewright, TX. Call 903.364.2000 or email 4a4b@whitewright.com to receive bid packet spec sheet with install locations within the City of Whitewright. Bids must be clearly marked with Bid No. and include a copy of Liability Insurance. Sealed Bids will be accepted in person at 113 W. Grand St., Whitewright, Texas 75491 beginning April 21, 2022 from 10:00 AM to 2:00 PM Tues – Sat or can be mailed to P.O. Box 189, Whitewright, Texas 75491. **All Sealed Bids must be received by May 9, 2022 at 7:00 PM.** Bids received after due date will not be accepted.

Annual Meeting of the Savoy Sunnyside Cemetery Association

When: Tuesday, May 3, 2022 at 2:00pm

Where: Savoy Church of Christ Fellowship Hall 204 W. Hayes St. (Hwy 56) Savoy, TX

This is an open meeting and anyone interested is invited.

For more information call 903-271-2071

NOTICE TO ALL PERSONS HAVING CLAIMS AGAINST THE ESTATE OF ROLAND DALE PENNINGTON

Notice is hereby given that original Letters of Testamentary of Estate of **ROLAND DALE PENNINGTON**, Deceased, were issued on the 22nd day of March, 2022, under Docket No. PR-2022-13025, pending in the County Court at Law of Fannin County, Texas, to **CARL WAYNE PENNINGTON**.

The address of the Attorney representing the Independent Executor is:

Michael C. Wynne
Wynne & Smith
707 W. Washington
Sherman, TX 75092

All persons having claims against this Estate which is currently being administered are required to present them within the time and in the manner prescribed by law.

Dated: April 21, 2022.

Respectfully submitted,

WYNNE & SMITH

707 West Washington
Sherman, Texas 75092
Telephone: 903/893-8177
Telecopier: 903/892-0916

mwynne@wynnesmithlaw.com

By: /s/ Michael C. Wynne
MICHAEL C. WYNNE
State Bar No. 22110800

ATTORNEYS FOR INDEPENDENT EXECUTOR

SHOP AND DINE IN HISTORIC DOWNTOWN BONHAM

SOUTH MAIN STREET, EAST SIDE

Sponsored By:



Bonham Family Drug

Luna Azul Restaurant

Blessing & Butterflies

Edward Jones

United Motors Garage

CLASSIFIEDS CLASSIFIEDS CLASSIFIEDS CLASSIFIEDS CLASSIFIEDS CLASSIFIEDS



PROFESSIONAL SERVICES

Continued from Pg. 18

A CUT ABOVE
General lawn care...
Mowing, weed eating, trimming and hedge trimming and haul off. Call for an estimate.
909-944-9944.

FARM and LAWN MAINTENANCE

Tree service, landscaping, brush clearing, fence of any kind, pipe fence painting, power washing, house painting, flagstone patios, gravel driveways, lot mowing, gutters and drainage, concrete demolition, any odd jobs. Call **Jose Vazquez** at **903-227-5898** or **903-583-1259.**

SMALL ENGINE REPAIR

Pick-Up and Deliveries. Will repair on site if needed.
903-647-1115.

ART LESSONS

Valley Creek Studio
Drawing and painting for adults and youth. Homeschoolers welcome!
Custom artwork.
Katherine Kluger
903-227-8143

TEXAS BEST HANDY-MAN & REMODEL: Over 20 years experience. No job too small. Free estimates. Call **Eric Baldwin 469-400-4086.** Serving Grayson and Fannin Counties.

A & A HANDYMAN SERVICE

We do any repairs, demolition or remodeling, lawn care, tree service, cleaning out houses, trailer homes, sheds, or barns. If you have a job idea, let us know. **No Job too Big or too Small!!!**
Call **469-422-7990.**

STAPP TREE TRIMMING AND REMOVAL

Hauling, Storm Damage, Demolition Work, Dead Wood Removal, Licensed and Bonded. Over 25 Years Experience. Call **903-583-7888.** "Cheaper than the cheapest. Give me a call, I can handle it all, guaranteed."

FOR RENT
2 Bedroom, 1 Bath.
2103 Albert Broadfoot. Lawn care provided, \$1,050. **903-815-8136.**

520 S. CENTER BONHAM, TX 75418
2 offices, bathroom & storage area, Plenty of parking space. \$750 per month (utilities not included)
Call or text **903-583-0108.**

220 E. 1st St Bonham, TX 75418
6500 SF Total. 3500 SF Warehouse w/concrete floors & loading dock. 3000 SF Office w/approx 8 offices, large meeting room space, 2 restrooms, kitchen area, HVAC, recently remodeled. \$2,500 per month (utilities not included).
Call or text **903-583-0108.**



REAL ESTATE

FOR RENT
3 bedroom, 2 bath.
Exceptionally nice rental, in a quiet neighborhood, \$1,750.00. **903-815-8136.**

ROBERT'S HEATING and AIR

Licensed and insured. Free estimates. 24 hour service. We accept all major credit cards. Financing Available. Robert Fuller, owner and operator.
License# **TACL27431E**
Call **903-647-0816.**

Emergency Food and Shelter National Board Program (EFSP)

The Federal EFSP has awarded Fannin Co local EFSP Board \$44,278.00. The source of the funding is a federal appropriation from Congress to the Emergency Food & Shelter National Board Program. National Board selects jurisdictions (cities and counties) for funding, not specific agencies. The federal department responsible for this program is the Department of Homeland Security's Federal Emergency Management Agency (FEMA). These are not state/county government or United Way Funds. The purpose of funding is to assist in providing additional funds for our Fannin County established agencies that provide current food and shelter for homeless and the poor families, adults, and children. Eligible program Services:

- Food, in the form of served meals or groceries
- Lodging in a mass shelter or hotel
- One month's rent, mortgage, and/or utility bill payment
- Transportation costs associated with the provision of food or shelter
- Minimal repairs to mass feeding or sheltering facilities for building code violations or for handicapped accessibility
- Supplies and equipment necessary to feed or shelter people, up to a \$300 limit per item
- You have two weeks from the date this ad appears in the paper to apply

If you want more information on eligibility or on the application procedure please contact the local chairman Sherry Seay at 903-332-1683.

NOTICE OF INTENTION TO ISSUE FANNIN COUNTY, TEXAS CERTIFICATES OF OBLIGATION

TAKE NOTICE that the Commissioners Court (the *Court*) of Fannin County, Texas (the *County*), shall convene at 9:00 o'clock A.M. on the 28th day of June, 2022, at its regular meeting place in Fannin County Courthouse, and, during such meeting, the Court will consider the passage of an order authorizing the issuance of certificates of obligation (the *Certificates*) in an amount not to exceed \$11,000,000 for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain revenues derived by the County from the operation of the County's Library System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the County outstanding public securities secured by and payable from ad valorem taxes is \$21,005,000; (ii) the current combined principal and interest required to pay all of the County's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$29,694,881; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$17,436,698; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is September 1, 2047. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code.

/s/ Tammy Biggar
County Clerk and Ex-Officio Clerk of the Commissioners Court of Fannin County, Texas

Advertisement For Sealed Bids

The Fannin County Fair is seeking labor only bid for trash pickup and restroom cleaning during the Fannin County Fair October 5-9. Trash cans and grounds must be maintained Wednesday October 5, 5pm-11pm and October 6-8, 7am-11pm. All can liners, trash carts and cleaning supplies will be provided. Questions can be emailed to fannincountyfair@gmail.com. Sealed bids are due by May 30th by 2pm at the Ector ISD Administration office. Bids will be opened May 30th, 2022 during the Fannin County Fair Board special meeting.

PUBLIC NOTICE

The City of Bonham is seeking letters of interest for Airport Advisory Board Members. The following are individual requirements to be eligible to serve on a City of Bonham board or commission:

- Ad-Valorem taxpaying residents, business owners, citizen of the USA, renters and/or lessees of property within the corporate city limits of Bonham and/or
- Individuals possessing specific knowledge, skill sets or expertise that have demonstrated interest in the betterment of Bonham.

All persons interested in serving on a city appointed board must do so by submitting a letter stating the board of interest, your reason for applying, full name and address as well as your qualifications to the attention of the City Secretary at 514 Chestnut St Bonham, TX 75418.

Letter of interest must be submitted by 5:00 pm on May 27, 2022

Notice of Public Hearing Bonham Economic Development Corporation

In accordance with the Development Corporation Act, Section 505.159(a) of the Texas Local Government Code, notice is hereby given that a public hearing will be held by the Bonham Economic Development Corporation, a Type B economic development corporation, on Monday, June 20th 2022 at 5:30 PM in the Bonham City Hall located at 514 Chestnut Street, Bonham, Texas, to consider and take action regarding the incurring of debt in the form of a \$1,012,500 loan from Government Capital for the repair and repaving of certain high traffic volume streets within the city.

For further information call Gayle Cooper, CEcD, Interim Executive Director at 903-640-0717 or email gcooper@cityofbonham.org

OFFICE SPACE AND SECURE WAREHOUSE/SHOP SPACE FOR RENT

- 225 to 300 sq. feet
- Build to suit
- Secure Warehouse/Shop Space For Rent, 3000 sq. ft. with ample parking.

2501 N Center ST. Bonham, Texas. 903-583-9527.

PINE RUN APARTMENTS

Now taking applications for 1 & 2 bedroom apartments. Please call **903-378-7146.**



I buy Junk Cars and Tractors. 903-436-2067. David Lee

The Lord's Prayer

Matthew 6:9-13
Our Father which art in heaven, Hallowed be thy name. Thy Kingdom come, Thy will be done in earth, as it is in heaven. Give us this day our daily bread. And forgive us our debts, as we forgive our debtors. And lead us not into temptation, but deliver us from evil: For thine is the Kingdom, and the power, and the glory, for ever. Amen.

GENERAL CERTIFICATE

THE STATE OF TEXAS §
 §
COUNTY OF FANNIN §

THE UNDERSIGNED HEREBY CERTIFY that:

1. The Commissioners Court (the *Commissioners Court*) of Fannin County, Texas (the *County*) has authorized the issuance of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”, dated July 1, 2022, in the aggregate principal amount of \$10,410,000 (the *Certificates*), authorized by an order passed and adopted on the 28th day of June, 2022 (the *Order*).

2. A schedule of limited tax indebtedness of the County payable, in whole or in part, from taxes including the Certificates is attached hereto as Exhibit A and made a part of this certificate for all purposes.

3. A debt service requirement schedule for the currently outstanding limited tax indebtedness of the County including the Certificates is attached hereto as Exhibit B and made a part of this certificate for all purposes. The County has no outstanding unlimited tax road bonds.

4. The assessed value of all taxable property (net of exemptions) in the County, as shown by the tax rolls for the year 2021-2022, which have been duly approved and are the latest official assessment of taxable property in the County, is as follows:

TOTAL ASSESSED TAXABLE VALUES OF
REAL AND PERSONAL PROPERTY \$2,846,009,210

5. The duly qualified and acting members of the Commissioners Court of the County are:

Randy Moore	County Judge
Edwina Lane	Commissioner, Place 1
A.J. Self	Commissioner, Place 2
Jerry Magness	Commissioner, Place 3
Dean Lackey	Commissioner, Place 4

6. The following are duly qualified and acting officers of the County:

Tammy Biggar	County Clerk
David E. Woodson	County Treasurer
Alicia Whipple	County Auditor
Gail Young	Tax Assessor/Collector

7. No petition signed by at least 5% of the qualified electors of the County has been filed with the County Judge, County Clerk, any member of the Commissioners Court, or any other

officer of the County protesting the issuance of the Certificates or requesting a referendum election on the question of their issuance and sale.

8. All of the meetings held by the Commissioners Court pursuant to which any proceedings were passed, adopted, and approved in connection with the Certificates were meetings open to the public for which public notice had been given, all as required by law and particularly Chapter 551, as amended, Texas Government Code.

9. The Notice of Intention was published in the *Fannin County Leader*, a newspaper of general circulation in Fannin County, Texas on May 2, 2022 and May 9, 2022. The Notice of Intention is attached hereto as Exhibit F.

10. The County has posted the Notice of Intention to issue the Certificates on the County's website continuously for at least 45 days before the date of sale of the Certificates, in accordance with Section 271.049(a)(2), as amended, Texas Local Government Code. The URLs of such postings on the City's website are as follows: <https://www.co.fannin.tx.us/page/fannin.Home>. A Screenshot of the posting on the City's website are attached hereto as Exhibit G.

11. The current rates and charges for the Library System, are as set forth in Exhibit C and made a part of this certificate for all purposes.

12. A schedule of the Gross Revenues of the Library System (as shown by the records of the County) for the last three Fiscal Years is attached hereto as Exhibit D and made a part hereof for all purposes. The Library System is located in the County Courthouse that is being renovated with certain proceeds of the Certificates.

13. No Net Revenues of the Library System are pledged or encumbered to the payment of any debt or obligation of the County or the Library System, except in connection with the Certificates.

14. Pledged Revenues of the Library System, in the limited and one time deposit amount of \$1,000, will be used solely for library purposes to the extent and as permitted under Section 323.023, as amended, Texas Local Government Code.

15. The terms *Fiscal Year*, *Gross Revenues*, and *Library System*, as used in this certificate, have the same meanings as in the Order.

16. The County is not in default as to any covenant, obligation or agreement contained in any order or other proceeding relating to any obligations of the County payable from a limited pledge of the Net Revenues of the Library System that would materially affect the security or payment of such obligations, and payments into all special funds or accounts created and established for the payment and security of all outstanding obligations payable from and secured by a limited pledge of the Net Revenues of the System have been made and each of the special funds or accounts, if any, established by the Order contain the amount now required to be on deposit in such fund or account.

17. To the extent necessary, the County has or will timely notify the Texas Ethics Commission (the *TEC*) in an electronic format prescribed by the TEC, of the receipt of a complete

disclosure of interested parties form and certification of filing from any privately held business entity contracting with the County pursuant to the requirements of the Texas Government Code Section 2252.908 and rules promulgated thereunder.

18. Capitalized terms not defined in this certificate shall have the same meanings assigned them in the Order.

19. The Certificate proceeds will not be used for a purpose previously rejected by the voters in a bond election held during the preceding three years.


20. Additional transcript requirements pursuant to the provisions of Section 1202.008, as amended, Texas Government Code, are attached hereto as Exhibit E.

21. This certificate is made for the benefit of the persons involved in this transaction and the Attorney General of The State of Texas in connection with his examination into and the approval of the Certificates.

[The remainder of this page intentionally left blank.]

WITNESS OUR HANDS AND THE SEAL OF THE COMMISSIONERS COURT OF FANNIN COUNTY, TEXAS, this 28th day of June, 2022.

FANNIN COUNTY, TEXAS


County Judge


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

(SEAL OF THE COMMISSIONERS COURT)



EXHIBIT A

Currently Outstanding Limited Tax Indebtedness of the County

<u>Description</u>	<u>Amount (\$)</u>
1. General Obligation Bonds, Series 2017	\$5,400,000.00
2. General Obligation Bonds, Series 2018	5,845,000.00
3. Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2020	9,595,000.00
4. The Certificates	10,410,000.00
TOTAL	\$31,250,000.00

EXHIBIT B

Combined Debt Service Schedule

Fiscal Year <u>30-Sep</u>	Currently Outstanding <u>Debt Service</u>	<u>The Certificates</u>			<u>Combined Debt Service</u>
		<u>Principal</u>	<u>Interest</u>	<u>Total</u>	
2022	\$ 1,264,188	-	-	-	\$ 1,264,188
2023	1,306,388	\$ 100,000	\$ 589,933	\$ 689,933	1,996,321
2024	1,306,988	230,000	497,050	727,050	2,034,038
2025	1,296,863	245,000	485,175	730,175	2,027,038
2026	1,301,013	255,000	472,675	727,675	2,028,688
2027	1,303,988	270,000	459,550	729,550	2,033,538
2028	1,302,238	280,000	445,800	725,800	2,028,038
2029	1,305,688	295,000	431,425	726,425	2,032,113
2030	1,305,138	310,000	416,300	726,300	2,031,438
2031	1,300,688	325,000	400,425	725,425	2,026,113
2032	1,300,663	345,000	383,675	728,675	2,029,338
2033	1,304,813	360,000	366,050	726,050	2,030,863
2034	1,297,844	380,000	347,550	727,550	2,025,394
2035	1,301,069	400,000	328,050	728,050	2,029,119
2036	1,303,050	420,000	307,550	727,550	2,030,600
2037	1,298,825	440,000	286,050	726,050	2,024,875
2038	1,303,381	465,000	264,588	729,588	2,032,969
2039	1,301,663	485,000	243,213	728,213	2,029,875
2040	1,298,738	505,000	220,938	725,938	2,024,675
2041	1,302,888	530,000	197,650	727,650	2,030,538
2042	1,295,863	555,000	173,238	728,238	2,024,100
2043	934,169	580,000	146,250	726,250	1,660,419
2044	932,894	610,000	116,500	726,500	1,659,394
2045	525,850	640,000	85,250	725,250	1,251,100
2046	-	675,000	52,375	727,375	727,375
2047	-	710,000	17,750	727,750	727,750
	<u>\$ 29,694,881</u>	<u>\$ 10,410,000</u>	<u>7,735,008</u>	<u>\$ 18,145,008</u>	<u>\$ 47,839,890</u>

EXHIBIT C

Rates and Charges for the Library System

(See Attached)

CIVIL FEES

Civil Original Suits		
	CHARGE	GOVERNMENT CODE
<i>Court Costs:</i>		
Clerk Fee	\$40.00	LGC 118.052(1)(A)(ii)
Basic Civil Legal Services Indigent	\$10.00	LGC 133.153(a)(1)
Courthouse Security Fee	\$5.00	LGC 291.008(a)
Court Records Preservation Fee	\$10.00	GC 51.708
Records Management	\$10.00	LCG 118.0546
Records Archive	\$10.00	LGC 118.011(f)
Judicial Support	\$42.00	LGC 133.154
Judicial Fee	\$40.00	GC 51.702
Law Library	\$35.00	LCG 323.023(a)
6 th Court of Appeals Fee	\$5.00	GC 22.2071
State Electronic File Fee	\$30.00	GC 51.851(b)
Court Reporter Fee	\$15.00	GC 51.601
Judicial and Court Personnel Training Fee	\$5.00	GC 51.971(a) SB42
Total	\$257.00	

- **Appeal**
- **Bond Forfeiture**
- **Debt/Contract**
- **Foreign Judgment**
- **Injury or Damage**
- **Occupational Driver's License**
- **Petition for Non-Disclosure(Base Fee + \$28.00 non-disclosure fee) GC 411.072, 411.0745**
- **Real Property**
- **Any other Civil not listed**

Severance of Suit		
	CHARGE	GOVERNMENT CODE
<i>Court Costs:</i>		
Clerk Fee	\$30.00	LGC 118.052(1)(B)
Basic Civil Legal Services Indigent	\$10.00	LGC 133.153(a)(1)
Courthouse Security Fee	\$5.00	LGC 291.008(a)
Records Management	\$10.00	LCG 118.0546
Records Archive	\$10.00	LGC 118.011(f)
Judicial Fee	\$40.00	GC 51.702
Law Library	\$35.00	LCG 323.023(a)
6 th Court of Appeals Fee	\$5.00	GC 22.2071
State Electronic File Fee	\$30.00	GC 51.851(b)
Court Reporter Fee	\$15.00	GC 51.601
Judicial and Court Personnel Training Fee	\$5.00	GC 51.971(a) SB42
Total	\$195.00	

Garnishment After Judgment

	CHARGE	GOVERNMENT CODE
<i>Court Costs:</i>		
Clerk Fee	\$15.00	LGC 118.052(1)(a)(i)
Basic Civil Legal Services Indigent	\$10.00	LGC 133.153(a)(1)
Courthouse Security Fee	\$5.00	LGC 291.008(a)
Court Records Preservation Fee	\$10.00	GC 51.708
Records Management	\$10.00	LCG 118.0546
Records Archive	\$10.00	LGC 118.011(f)
Judicial Support	\$42.00	LGC 133.154
Judicial Fee	\$40.00	GC 51.702
Law Library	\$35.00	LCG 323.023(a)
6 th Court of Appeals Fee	\$5.00	GC 22.2071
State Electronic File Fee	\$30.00	GC 51.851(b)
Court Reporter Fee	\$15.00	GC 51.601
Judicial and Court Personnel Training Fee	\$5.00	GC 51.971(a) SB42
Total	\$232.00	

Cross-Action Counterclaim Interpleader Intervention Motion for New Trial Third-Party Action

	CHARGE	GOVERNMENT CODE
<i>Court Costs:</i>		
Clerk Fee	\$30.00	LGC 118.052(1)(B)
Basic Civil Legal Services Indigent	\$10.00	LGC 133.153(a)(1)
Courthouse Security Fee	\$5.00	LGC 291.008(a)
Records Management	\$10.00	LCG 118.0546
Records Archive	\$10.00	LGC 118.011(f)
State Electronic File Fee	\$30.00	GC 51.851(b)
Judicial and Court Personnel Training Fee	\$5.00	GC 51.971(a) SB42
Total	\$100.00	

Miscellaneous Fees		
	CHARGE	GOVERNMENT CODE
Certification Fee and Transcript of Civil Proceedings (Per document)	\$5.00	LGC 118.011(a)(3), 118.014
Citation/Notice, Issuance of	\$4.00	LGC 118.052(3)(A), 118.509(c)
Citation, Service of (by Certified Mail)	\$70.00	LGC 118.052(3)(f)
Copies (Including those necessary for issuance of certain writes, per page)	\$1.00	LGC 118.011, 118.0145
Exemplification Fee (In addition to Certification & Copy fees)	\$2.00	LGC 118.101
Issuance of: Abstract of Judgment Order of Sale Show Cause Writ Writ of Execution Writ of Possession	\$5.00	LGC 118.052(1)(C)
Issuance of Writ of Attachment (Attorney provides Writ)	\$6.25 + Certified Copies	LGC 118.052, 118.011(c)
Jury Demand	\$40.00	GC 51.604
Records Search of Computer Index or Case File	\$5.00	LGC 118.011(c)
Registry Administration Fees	5%, not to exceed \$50	LGC 117.055

Payment is due at the time of filing; **NO EXCEPTIONS**
Provide a SASE for documents to be returned.

CHECKS

- Make check payable to: Fannin County Clerk
- Checks older than 90 days will not be accepted
- Refunds of Ten Dollars (\$10.00) or less will be issued upon request
- All checks must clear the bank before a refund will be issued

Glossary:

- CCP Code of Criminal Procedure
- FC Family Code
- GC Government Code
- LGC Local Government Code

These codes may be searched by: <http://www.statutes.legis.state.tx.us/>.

Miscellaneous: LGC 118.011(c) The Clerk shall charge reasonable fees for performing other duties prescribed or authorized by statute for which a fee is not prescribed.

EXHIBIT D

Library System Operations Schedule

Fiscal Year ending September 30th

	<u>FYE (9/30)</u>		
	<u>2021</u>	<u>2020</u>	<u>2019</u>
Revenues	\$15,983.00	\$18,615.00	\$20,097.00
Expenses	<u>-</u>	<u>550.00</u>	<u>300.00</u>
Net Income	\$15,983.00	\$18,065.00	\$19,797.00

EXHIBIT E

Additional Transcript Requirements
(Section 1202.008, as amended, Texas Government Code)

Fannin County, Texas
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

**OFFICE OF THE ATTORNEY GENERAL
PUBLIC FINANCE DIVISION
Additional Transcript Requirements**

Pursuant to Texas Government Code §1202.008

Please submit excel copy of this form to brblgs@brb.texas.gov

The following information is to be included in the transcript submitted to the Office of the Attorney General to obtain Attorney General approval of the issuance of bonds or other obligations. This information has been designated by the Bond Review Board as that to be collected pursuant to Texas Government Code §1202.008. If space is limited, please provide a specific cross-reference to the page in the Final Official Statement.

A. Please provide the following information for each bond series as well as an additional copy of the Final Official Statement. (Provide the requested information on this worksheet. The Bond Review Board does not receive the full transcript):

1. a. Name of the Governmental Entity:	Fannin County, Texas
b. Name of Bond Issue:	Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022
c. Type of Issuer: (Governmental Entity, Conduit, Component or Related Entity)	Governmental Entity
d. Issuer Fiscal Year End Date:	30-Sep
e. Issuer Contact Name and Title:	Honorable Randy Moore, County Judge
f. Issuer Address:	100 E. Sam Rayburn Drive, Suite 101, Bonham, TX 75418
g. Issuer Phone:	903-583-7455
h. Issuer Email:	countyjudge@fanninco.net
List Conduit/Component/Related Entity/Other	
2. a. Total Par Amount:	\$10,410,000.00
b. New Money Par:	\$10,410,000.00
c. Refunding Par:	\$0.00
d. Dollar Amount of Bond Premium, if any:	\$787,989.35
e. Cash Premium (Competitive Sales, usually found in the Initial Purchasers Section), if any:	\$0.00
f. Dollar Amount of Bond Original Issue Discount, if any:	N/A
g. If available, please email the DF2 file to brblgs@brb.state.tx.us .	N/A
3. Dated Date:	7/1/2022
4. Date Interest Accrues from:	7/1/2022
5. Closing Date (expected delivery date, on or about):	7/27/2022
6. First Interest Payment Date:	3/1/2023
7. Maturity Dates, Maturity Amounts, Coupon Rates, Prices or Yields (If no reoffering yield (NRO) indicated, please provide yield separately.):	See page ii of the Official Statement
8. Call Provisions, including Premiums, if any:	See page ii of the Official Statement
9. Mandatory Sinking Fund Redemption Dates:	See page 3 of the Official Statement
10. Debt-Service Schedule (Principal and Interest, and Annual Totals, with the Fiscal Year identified):	See page A-2 of the Official Statement
11. Do the bonds have a specific designation as qualified tax-exempt obligations?	No
12. Derivative Products (Swaps, Interest Rate Management Agreements, etc.) - List any derivatives associated with financing:	N/A
13. Pledge: tax (ad valorem, other), revenue, sales tax revenue, combination tax & rev:	Ad Valorem
14. Credit Enhancement (including PSF guarantee):	N/A

15. Ratings: Assigned to the issue/Underlying:		<u>Rating Assigned to this Issue/ Rating Outlook</u>	<u>Underlying Rating/ Rating Outlook</u>
	Moody's		
	S&P	AA-/Stable	AA-/Stable
	Fitch		
	Other		
	Not Rated		

B. Additional Information

16. Type of Sale: (Negotiated, Competitive, Private Placement, Other)	Negotiated
If other please explain	

17. Date of Sale:	6/28/2022
18. Net effective interest rate pursuant to Government Code Chapter 1204.005:	4.40%
19. Governmental Purchaser - please name purchaser (i.e. Texas Water Development Board):	N/A
20. Refunded Obligations - If applicable, include a schedule of obligations refunded by year, principal amount, and coupon.	N/A
21. Cash and Present Value Savings/Loss - If a refunding bond issue, please provide final schedule of cash and present value savings or loss.	N/A
22. Cash Defeasances - List all issues and maturities that have been cash defeased since the last issue of public securities approved by the Attorney General.	None
23. If voter approved - Provide bond election date(s), original amount(s) authorized and current amounts of principal and premium charged against voted authority.	N/A
24. Authorized but Unissued - For issues that require the use of voted bond authorization, list all authorized but unissued voted authority available, if any.	0
25. Upcoming Called Bond Election: Please provide an attached schedule which shows date of election, purpose and amount by proposition.	N/A
26. CABs and CIBs – If not provided in the OS, please provide the per annum bond interest rates by maturity as shown in the bond order document. If provided in the OS, list the page(s):	See page ii of the Official Statement
27. Commercial Paper Authorized - List all commercial paper programs, the amounts authorized and the amounts currently outstanding.	N/A
28. Population - Provide the most current available population data:	36,172 County
29. Federal Program - If the debt is being issued under any direct special government program; name the program and the amount of authority being used:	N/A
30. If the issuer is an ISD, is any portion of the debt exempt from Texas Education Agency Code 45.0031 (50-cent Debt test)?	N/A

31. Costs of Issuance - Provide the information below: (If final costs are materially different, please submit changes directly to the Texas Bond Review Board, 512-463-1741 or fax 512-475-4802)

<u>Service</u>	<u>Firm</u>	<u>One-Time Fee</u>	<u>Annual Fees</u> ⁽¹⁾
Bond Rating:	Moody's		
	Standard & Poor's	19,500.00	
	Fitch		
	Other:		
Other Costs of Issuance: ⁽²⁾			
Financial Advisor	SAMCO Capital Markets, Inc.	59,756.59	
Bond Counsel	Norton Rose Fulbright US LLP	26,480.00	
Co Bond Counsel			
Issuer Counsel			
Bank Counsel			
Disclosure Counsel			
Paying Agent	BOKF, N.A.	400.00	
Trustee			
Remarketing Fees			
Liquidity Fees			
Accountant/CPA			
Printing	Clement's Printing	1,250.00	
POS/OS Posting			
Attorney General's Fee	Texas Attorney General	9,500.00	
Issuer Fees			
Escrow Agent			
Escrow Verification Fees			
Travel			
TCEQ Fee			
Bond Application Fee			
TWDB Fee			
Private Placement Fee			
Contingency			
Misc. Costs of Issuance: ⁽³⁾			
Total Costs of Issuance:		116,886.59	-
Credit Facility			
Bond Insurance	AGM	21,774.01	
Underwriting Spread:			
Takedown		41,666.25	
Management Fee		5,205.00	
Underwriter Counsel		7,807.50	
Spread Expenses		4,650.00	
Total Underwriting Spread: ⁽⁴⁾		59,328.75	-
Did Underwriter Pay Rating Fee? Yes or No		No	
Did Underwriter Pay Bond Insurance Fee? Yes or No		No	
Did Underwriter Pay Underwriter Counsel's Fee? Yes or No		Yes	

(1) Refers to any recurring costs of an issuance including fees for paying agent, remarketing agent, credit provider and other similar services (may be expressed as a formula as appropriate).

(2) Include all fees and expenses paid or reimbursed by the issuer.

(3) Provide all other costs of issuance and identify the service provider and associated fees.

(4) Include all marketing and selling costs including structuring (management) fee, takedown, underwriting risk fee and expenses.

<u>UW Participants</u>	<u>Firm</u>
Senior Managing Underwriter	Robert W. Baird & Co. Incorporated
Other Underwriters	Estrada Hinojosa & Company, Inc.

<u>Person Completing Form:</u>	
Name:	Andrew Friedman
Firm:	SAMCO Capital Markets, Inc.
Telephone:	210-832-9760
E-mail:	afriedman@samcocapital.com

The information presented on this form is used by the Texas Bond Review Board for compiling outstanding debt information and related costs of issuance for governmental issuers in Texas. For more information please see http://www.brb.texas.gov/local_debt.aspx

EXHIBIT F

Notice of Intention

NOTICE OF INTENTION TO ISSUE
FANNIN COUNTY, TEXAS
CERTIFICATES OF OBLIGATION

TAKE NOTICE that the Commissioners Court (the *Court*) of Fannin County, Texas (the *County*), shall convene at 9:00 o'clock A.M. on the 28th day of June, 2022, at its regular meeting place in Fannin County Courthouse, and, during such meeting, the Court will consider the passage of an order authorizing the issuance of certificates of obligation (the *Certificates*) in an amount not to exceed \$11,000,000 for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain revenues derived by the County from the operation of the County's Library System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the County outstanding public securities secured by and payable from ad valorem taxes is \$21,005,000; (ii) the current combined principal and interest required to pay all of the County's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$29,694,881; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$17,436,698; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is September 1, 2047. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code.

/s/ Tammy Biggar
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Fannin County,
Texas

EXHIBIT G

Website Postings

The screenshot shows the homepage of the Fannin County, Texas website. At the top, there is a navigation menu with the following items: County Information, Organizations and Committees; Public Notices; Commissioners' Court Meetings; County Calendars; County Clerk Postings; Fannin County Court Public Records Search; Voting; Bois d'Arc Lake; Lake Fannin; Lake Ralph Hall; Financial Transparency; Employment Opportunities; CodeRED Alert System; and Text4Baby.org. The main content area features a large photograph of the Fannin County Courthouse. Below the photo, the text reads "Welcome to Fannin County, Texas" followed by several links: "Notice of Intent 2022 CO Bonds", "ORDER of Special Election May 7, 2022", "NOTICE OF SPECIAL ELECTION MAY 7, 2022", and "Voting Precincts. MAP". A vertical sidebar on the right contains five blue buttons with white text and downward-pointing chevrons: "Upcoming Meetings", "Elections", "Road Closures / Road Renaming", "Current County Projects", and "Important Links and Resources". On the left side, there is a logo for "AMBASSADOR™ WRN WEATHER-READY NATION" and a small badge that says "Learn how county government serves you." with a circular icon. The footer contains the text "How to find us. Fannin County Courthouse" and "How to reach us. Departmental Phone Directory". A map of Fannin County is visible in the bottom right corner, with the text "Fannin County View larger map" above it. The system tray at the bottom right shows the time "2:27 PM" and the date "4/28/2022".

https://www.co.fannin.tx.us/upload/page/7034/Resolution.pdf

Courier Depot Login IT Store Intapp Open InterAction - Home MAC of Texas MSRB Gateway Login Texas Ethics Comm... Welcome to Vista 7.0 Texas Constitution... New SharePoint-C... workbook Fee Earn... NRF Links Other favorites

default application for reading PDF files? Set as default

Page view Read aloud Add text Draw Highlight Erase

Exhibit A

**NOTICE OF INTENTION TO ISSUE
FANNIN COUNTY, TEXAS
CERTIFICATES OF OBLIGATION**

TAKE NOTICE that the Commissioners Court (the *Court*) of Fannin County, Texas (the *County*), shall convene at 9:00 o'clock A.M. on the 28th day of June, 2022, at its regular meeting place in Fannin County Courthouse, and, during such meeting, the Court will consider the passage of an order authorizing the issuance of certificates of obligation (the *Certificates*) in an amount not to exceed \$11,000,000 for the purpose or purposes of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating, constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery, land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects. The Certificates will be payable from the levy of an annual ad valorem tax, within the limitations prescribed by law, upon all taxable property within the County and from a lien on and pledge of certain revenues derived by the County from the operation of the County's Library System. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code. In accordance with Section 271.049, as amended, Texas Local Government Code, (i) the current principal amount of all of the County outstanding public securities secured by and payable from ad valorem taxes is \$21,005,000; (ii) the current combined principal and interest required to pay all of the County's outstanding public securities secured by and payable from ad valorem taxes on time and in full is \$29,694,881; (iii) the estimated combined principal and interest required to pay the Certificates to be authorized on time and in full is \$17,436,698; (iv) the maximum interest rate for the Certificates may not exceed the maximum legal interest rate; and (v) the maximum maturity date of the Certificates to be authorized is September 1, 2047. The Certificates are to be issued, and this notice is given, under and pursuant to the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, as amended, Texas Local Government Code.

/s/ Tammy Biggar
County Clerk and Ex-Officio Clerk of the
Commissioners Court of Fannin County,
Texas

2:27 PM
4/28/2022

Authorization of Attorney General to Date Certificate

7. This certificate is submitted pursuant to Title 1, Chapter 53, Texas Administrative Code. Upon the approval of the Certificates by the Attorney General of the State of Texas, he is authorized to date this certificate as of the date of such approval. If any litigation should develop, or if any other event should occur which should make this certificate inaccurate before the Attorney General's approval of the Certificates, we will notify the Attorney General at once by both telephone and facsimile transmission. With this assurance, the Attorney General is entitled to rely on the accuracy of this certificate at the time of approval of the Certificates unless we advise him otherwise.

[The remainder of this page intentionally left blank]

EXECUTED AND DELIVERED this July 27, 2022.

SIGNATURE

Randy Moore

Tammy Duggan

Alicia R. Whyte

OFFICIAL TITLE

County Judge, Fannin County, Texas

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

County Auditor
Treasurer, Fannin County, Texas

(SEAL OF THE COMMISSIONERS COURT)



Before me, on this day personally appeared the foregoing individuals, known to me to be the persons whose names are subscribed to the foregoing instrument and who executed this document in my presence.

Given under my hand and seal of office this 30th day of June, 2022.

Lisa Loielle
Notary Public, State of Texas

(NOTARY SEAL)



CERTIFICATE AS TO OFFICIAL STATEMENT

THE STATE OF TEXAS	§
	§
COUNTY OF FANNIN	§

THE UNDERSIGNED HEREBY CERTIFY to the best of our knowledge and belief that:

1. The descriptions and statements of or pertaining to Fannin County, Texas (the *County*) contained in its Official Statement dated June 28, 2022, and any addenda, supplement, or amendment thereto relating to the “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”, in the aggregate principal amount of \$10,410,000 (the *Certificates*) on the date of such Official Statement, on the date of the sale of the Certificates and the acceptance of the best bid therefor, and on the date of initial delivery of the Certificates, were and are true and correct in all material respects.

2. Insofar as the County and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

3. Insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the County, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the County believes to be reliable, and the County has no reason to believe that they are untrue in any material respect.

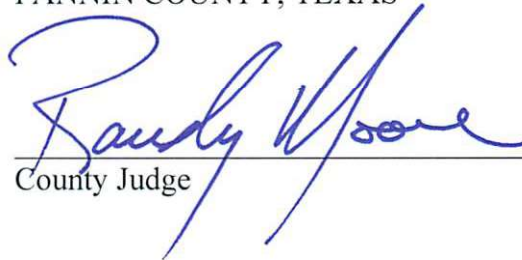
4. Authorized representatives of the County received and reviewed copies of the Preliminary Official Statement and Final Official Statement for the purpose of confirming that the information therein pertaining to the County is accurate and complete.

5. Except as otherwise described in the Official Statement, there has been no material adverse change in the financial condition of the County since September 30, 2021, the date of the last financial statements of the County appearing in the Official Statement.

[The remainder of this page intentionally left blank.]

WITNESS OUR HANDS AND THE SEAL OF FANNIN COUNTY, TEXAS on
this July 27, 2022.

FANNIN COUNTY, TEXAS


County Judge

ATTEST:


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

(SEAL OF THE COMMISSIONERS COURT)



CERTIFICATE AS TO TAX EXEMPTION

The undersigned, being the duly chosen and qualified County Judge and County Auditor of Fannin County, Texas (the *County*), hereby certifies with respect to the “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022” (the *Certificates*) in the aggregate principal amount of \$10,410,000.00 as follows:

A. General

1. For all purposes of this certificate, unless otherwise defined, all defined terms herein shall have the same meaning given to them in the Order and the Regulations (each as defined below).

2. Pursuant to state law and the Order authorizing the issuance of the Certificates, we, along with other officers of the County, are charged with the responsibility for issuing the Certificates.

3. This certificate is made pursuant to Treasury Regulations Sections 1.141 through 1.150 (the *Regulations*), and sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*).

4. This certificate is based on the facts and estimates described herein in existence on this date, which is the date of delivery of the Certificates to and payment for the Certificates by the initial purchasers thereof, and, on the basis of such facts and estimates, the County expects that the future events described herein will occur. To the best knowledge and belief of the undersigned, there are no other facts, estimates, or circumstances which would materially change the following statements, and the expectations hereinafter set forth are reasonable. Except as provided herein, the County covenants not to take any intentional acts or actions after the Closing Date of the Certificates to earn a Yield upon the investment of proceeds materially higher than the Yield of the Certificates.

5. Terms used and not defined herein have the same meaning given to them in the Order of the County adopted by its Commissioners Court on June 28, 2022 authorizing the issuance of the Certificates (the *Order*) or the Regulations, as applicable.

6. The County’s employer identification number is 75-6000941.

B. Purpose and Size.

1. The Certificates are being issued pursuant to the Order for the purpose of paying contractual obligations of the County to be incurred for making permanent public improvements and for other public purposes, to-wit: (1) acquiring, designing, purchasing, renovating,

2. constructing, reconstructing, improving or equipping the Fannin County Justice Center, including County offices related thereto, (2) acquiring, designing, constructing, renovating, repairing, and improving County roads and bridges (including any utilities relocation) and drainage incidental thereto; (3) the purchase of materials, supplies, equipment, machinery,

land, landscaping, and rights-of-way for authorized needs and purposes relating to the aforementioned improvements; and (4) payment for professional services relating to the design, construction, project management, and financing of the aforementioned projects (collectively, the *Project*).

3. The County has and will, at all times prior to the last Stated Maturity of the Certificates,

a. exclusively own, operate, and possess all property financed or refinanced, acquired, constructed, or improved with Gross Proceeds of the Certificates and not use or permit the use of any property financed or refinanced, acquired, constructed, or improved with Gross Proceeds of the Certificates in any activity carried on by any person or entity (other than a state or local government), *unless* such use is merely as a member of the general public, or

b. not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Certificates or any property financed or refinanced, acquired, constructed, or improved with Gross Proceeds, other than a charge or other payment merely as a member of the general public or interest earned on Investments acquired with Gross Proceeds of the Certificates pending application for their intended purposes, either or both.

4. The County has not and will not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, Gross Proceeds are considered to be “loaned” to a person or entity if (1) property financed or refinanced, acquired, constructed, or improved with Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of Gross Proceeds or any property financed or refinanced, acquired, constructed, or improved with Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

5. The Project will be owned, operated, and maintained by the County; and the County has not contracted with any firm, company, or other person or entity to operate and/or maintain the Project for and on behalf of the County. The County does not expect to enter into any contract for the operation, maintenance or management of the Project.

6. There is not as of the date hereof and the County does not anticipate entering into any lease, contract, or other understanding or arrangement with any person other than a state or local governmental unit, pursuant to which the County expects that proceeds of the Certificates, or the Project, will be used in the trade or business of such person (including all activities of such person who are individuals). The County does not currently have any leases or contacts with the Federal government concerning the County jail facilities nor does it reasonably expect to enter into such leases or contracts during the term of the Certificates.

7. The amounts received from the sale of the Certificates, when added to the amount expected to be received from the investment thereof, do not exceed the amounts required to pay the costs of the Project and the costs of offering and issuing the Certificates.

8. No receipt from the sale of the Certificates or amounts received from the investment thereof will be used to pay the principal of or interest on any currently outstanding debt obligation of the County other than the Certificates.

C. Source and Disbursement of Certificate Proceeds.

1. The Certificates are being issued and delivered to Robert W. Baird & Co. Incorporated, Houston, Texas, as an authorized representative of a group of underwriters (the *Purchasers*) at a negotiated sale. The Purchasers purchased the Certificates for \$11,234,663.79, which represents an Issue Price of \$11,197,989.35, plus accrued interest in the amount of \$36,674.44. The County has received as a result of the sale of the Certificates an amount equal to \$11,175,335.04 which represents par, plus a reoffering premium of \$787,989.35, less a Purchasers discount of \$59,328.75, plus accrued interest in the amount of \$36,674.44.

2. Of the remaining proceeds of the Certificates received by the County from the Purchasers, approximately \$116,886.59 will be used to pay the costs of issuance (other than underwriters' spread) relating to the Certificates, \$21,774.01 will be used to pay the Insurance Premium (hereinafter defined) and \$11,000,000.00 (representing par of \$10,410,000.00 plus a portion of the reoffering premium of \$590,000.00) will be deposited in a separate checking account of the County (the *Construction Account* or *Fund*) to pay costs of the Project. The County estimates that it will receive \$232,595.00 in income or profit from the investment of the amounts deposited to the Construction Fund pending the disbursement of such amounts for the governmental purposes for which the Certificates are being issued. Such amount will be used to pay additional costs of the Project or deposited in the Certificate Fund (the *Certificate Fund*) to pay principal of or interest on the Certificates within one year from the date of receipt.

D. Temporary Periods and Time for Expenditures.

1. Within six months from the date hereof, the County will have incurred binding obligations or commitments in the amount of at least five percent of the principal amount of the Certificates for the Project by entering into contracts for construction, architectural services, engineering services, land acquisition, site development, construction materials, or the purchase of equipment. The County will account for the allocation of the Certificate proceeds to an expenditure not later than 18 months after the later of the date the expenditure is paid or the date the Project is placed in service; but in all events 60 days after the earlier of the fifth anniversary of the date of this Certificate or the retirement of the Certificates.

2. After entering into said contracts, work on the construction or acquisition of the Project will proceed with due diligence to completion, which is expected to occur on, and the proceeds from the sale of the Certificates and investment earnings thereon are expected to be expended June 1, 2025.

3. Based on the foregoing, the County expects to invest Gross Proceeds, held in the Construction Fund, without regard as to restriction of Yield until July 26, 2025. Thereafter, the

County will restrict the Yield on investments of Gross Proceeds held in the Construction Fund to the Yield on the Certificates.

E. Certificate Fund.

1. The Certificates are payable primarily from an ad valorem tax levied, within the limits prescribed by law, upon all taxable property located within the jurisdiction of the County, and by a lien on and pledge of the Pledged Revenues. All taxes levied and collected for and on account of the Certificates are to be deposited into the appropriate Certificate Fund.

2. Pursuant to Section 11 of the Order, the County will levy an ad valorem tax, within the limits prescribed by law, on all taxable property within the jurisdiction of the County and by a lien on and pledge of the Pledged Revenues of the System to pay principal of and interest on the Certificates as such becomes due, and such tax has been pledged to the payment of the Certificates. Amounts collected from such tax for the payment of the principal of and interest on the Certificates are to be deposited to the credit of the Certificate Fund. The County may credit against its required deposits to the Certificate Fund all amounts received from the investment of funds held therein. In addition, a lien on and pledge of the Pledged Revenues has been granted to secure the payment of the debt service requirements of the Certificates. All monies deposited in the Certificate Fund, if any, will be used solely to pay the principal of and interest on the Certificates as the same becomes due and payable.

3. Except for that portion of the Certificate Fund, if any, consisting of deposits made to defease in whole or in part the Certificates, the Certificate Fund (i) was created primarily to achieve a proper matching of revenues and debt service with respect to the Certificates within each bond year, beginning on the Closing Date and ending on each anniversary of the Closing Date thereafter until the Certificates are no longer Outstanding and (ii) will be depleted at least once a year except possibly for a carry-over amount not greater than the larger of the preceding bond year's income from the investment thereof or one-twelfth of the debt service paid during the preceding bond year on the Certificates. All amounts deposited to the Certificate Fund will be spent within 13 months of deposit, and all amounts received from investment of such fund will be deposited therein and will be expended within twelve months of receipt. Any amounts held in the Certificate Fund during such periods are expected to be invested by the County without regard as to restriction of Yield. Any amounts held in the Certificate Fund in excess of such periods will be invested at a Yield not to exceed the Yield on the Certificates.

4. All money deposited in the Certificate Fund will be used solely to pay the principal of, and interest on, the Certificates as the same becomes due and payable, and there will be no other funds that will be so used or pledged or otherwise restricted so as to be available with reasonable certainty to be so used.

F. Yield, Rebate and Miscellaneous.

1. The Yield on the Certificates is 3.84121 percent, calculated on the basis of the information provided in the Issue Price Certificate. In the Issue Price Certificate the Purchasers provided certifications as to the first price at which at least ten percent (10%) of each maturity of the Certificates was sold to the public and (2) to establish compliance with the requirements of the

“hold-the-offering-price rule” under Section 1.148-1(f)(2)(ii) of the Regulations for each of the Hold-the-Offering-Price Maturities (as defined in the Issue Price Certificate). The County hereby identifies Section 1.148-1(f)(2)(i) of the Regulations as the rule that applies to determine the issue price of the General Rule Maturities and Section 1.148-1(f)(2)(ii) of the Regulations as the rule that applies to determine the issue price of the Hold-the-Offering-Price Maturities. The Certificates stated to mature on March 1 in each of the years 2033 through 2037, March 1, 2042, and March 1, 2047 (*Optional Premium Certificates*), are subject to optional early redemption and were issued at a price that exceeds their respective stated redemption prices at maturity by more than .25 percent multiplied by the product of their respective stated redemption prices at maturity and the number of complete years to their respective optional redemption date on March 1, 2032. Accordingly, for purposes of computing Yield on the Certificates, the *Optional Premium Certificates* were treated as redeemed at their respective stated redemption prices on the optional redemption date of March 1, 2032, which redemption date produces the lowest yield on the Certificates.

2. The County has covenanted to account for the Gross Proceeds of the Certificates separately and apart from all other funds of the County from the date hereof.

3. The County does not expect that the proceeds of the Certificates will be used in a manner that would cause the Certificates to be “arbitrage bonds” within the meaning of section 148 of the Code.

4. Unless the County has qualified for an exception to rebate pursuant to section 148(f)(4) of the Code, not less frequently than each Computation Date, the County has covenanted in the Order to calculate or cause to be calculated by a nationally recognized accounting, financial advisory firm or financial institution, in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder, the Rebate Amount. The County has covenanted in the Order to maintain such calculations with the official transcript of the proceedings relating to the issuance of the Certificates until six years after the final Computation Date.

5. The County has covenanted in the Order to pay to the United States any amount described in the preceding paragraph of this Section, at the times, in the installments, to the place, in the manner, and accompanied by such forms or other information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

6. The County reasonably expects that at least 75% of the “Available Construction Proceeds” of the Certificates, as defined in Regulation Section 1.148-7(i), will be allocated to “construction expenditures”, as defined in Regulation Section 1.148-7(g) for property which will be owned by the County.

7. The weighted average maturity of the Certificates is 15.1426 years, which is less than 120% of the average reasonably expected economic life of the assets acquired or constructed with the proceeds of the Certificates.

8. The County has not sold nor will it sell any obligations within 15 days of the sale date of the Certificates.

G. Qualified Guarantee.

1. The Issuer has paid on the date hereof to Assured Guaranty Municipal Corp., New York, New York (the Guarantor) an amount equal to \$21,774.01 (the *Insurance Premium*) to insure the payment of principal of and interest on the Obligations.

2. Neither the Guarantor nor any party related to the Guarantor will use more than 10% of the proceeds of the Obligations.

3. Under the contract between the Guarantor and the Issuer, the Guarantor is secondarily liable, and has unconditional credit risk, to pay all or a portion of the principal of or interest on the Obligations.

4. The Issuer reasonably expects that the Guarantor will not be called upon to pay the principal of or interest on the Obligations. The Guarantor is entitled to be immediately and full reimbursed for any payment of principal of or interest on the Obligations.

5. The Insurance Premium paid to the Guarantor represents a payments solely for the transfer of credit risk for the payment of principal of and interest on the Obligations and not for any other service, cost or expense. The Insurance Premium does not exceed a reasonable charge for the transfer of such credit risk.

6. The Guarantor has represented to the Issuer that the present value (determined using as the discount rate the yield-to-maturity on the Obligations with regard to the Insurance Premium) of the Insurance Premium paid to the Guarantor with respect to the Obligations is less than the present value (determined using the same discount rate) of the interest savings with respect to the Obligations resulting from the insurance by the Guarantor.

7. The Insurance Premium has been allocated among the Obligations in a manner that properly reflects the proportionate credit risk for which the Guarantor has been compensated.

H. No Abusive Arbitrage Device.

1. In connection with the issuance of the Certificates, the County has not employed any action which has the effect of overburdening the market for tax-exempt obligations by issuing more obligations, issuing obligations earlier, or allowing obligations to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Certificates.

2. In connection with the issuance of the Certificates, the County has not employed any action which has the effect of enabling the County to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage.

I. Written Procedures. This certificate shall constitute written procedures and processes that require the County to insure that, after the Closing Date, the County is in compliance with the covenants and representations contained herein and the Code and Regulations related to the Certificates and for a period of three (3) years after the Certificates are paid in full will maintain records that show compliance with the covenants and representations contained herein and the Code and Regulations related to the Certificates. The County designates the following officer(s)

to have primary responsibility for maintaining post-issuance compliance with the covenants and representations contained herein and the Code and Regulations related to the Certificates:

County Auditor

and the following officer(s) shall maintain the records related thereto:

County Auditor

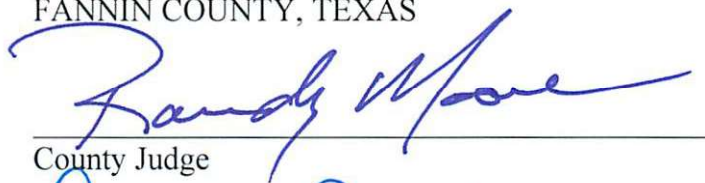
Such officers may assign and delegate responsibilities to others as they deem necessary or appropriate.

J. Remedial Action/Voluntary Closing Agreement Program. If the County in complying with the terms and provisions the policies or guidelines set forth herein and the Code and Regulations related to the Certificates determines that the requirements of these policies and guidelines or the Code and Regulations related to the Certificates may have been violated, the County will make final determinations, if necessary with the assistance of its bond and tax counsel and financial advisors, and take appropriate actions related to such noncompliance including, if appropriate, any remedial action described under applicable Regulations or through the Tax Exempt Bonds Voluntary Closing Agreement Program.

[The remainder of this page intentionally left blank.]

EXECUTED AND DELIVERED this July 27, 2022.

FANNIN COUNTY, TEXAS



County Judge



County Auditor

EXHIBIT A

Issue Price Certificate

See Tab No. 16



July 27, 2022

By Federal Express

Norton Rose Fulbright US LLP
98 San Jacinto Blvd., Suite 1100
Austin, Texas 78701-4255
United States

Direct line +1 512 536 2463
lou.cappozzoli@nortonrosefulbright.com

Tel +1 512 474 5201
Fax +1 512 536 4598
nortonrosefulbright.com

Internal Revenue Service Center
1973 Rulon White Boulevard
Ogden, Utah 84201

Re: Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of
Obligation, Series 2022

Dear Ladies and Gentlemen:

I enclose an Information Return for Tax-Exempt Governmental Obligations (8038-G) pertaining to the captioned financing. Please provide the Issuer with your acknowledgement of receipt for this 8038-G.

Very truly yours,

A handwritten signature in blue ink, appearing to read 'LC'.

Lou Cappozzoli
Paralegal

LC/lc

Enclosure

cc: Ms. Alicia Whipple (Fannin County, Texas)
Mr. George Scofield (Firm)

Under Internal Revenue Code section 149(e) See separate instructions.

Department of the Treasury Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC. Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority. Includes fields for Issuer's name (Fannin County, Texas), EIN (75-6000941), address (101 East Sam Rayburn Drive, Bonham, Texas 75418), issue date (July 27, 2022), and CUSIP number (307135 GZ0).

Part II Type of Issue. Includes categories like Education, Health and hospital, and Other (County improvements). Total amount: 11,197,989.35.

Part III Description of Bonds. Table with columns: (a) Final maturity date, (b) Issue price, (c) Stated redemption price at maturity, (d) Weighted average maturity, (e) Yield.

Part IV Uses of Proceeds of Bond Issue. Table with columns for line numbers and amounts. Total nonrefunding proceeds: 11,000,000.00.


Part V Description of Refunded Bonds. Fields for remaining weighted average maturity and issue date of refunded bonds.

Part VI Miscellaneous

- | | |
|------------|--|
| 35 | |
| 36a | |
| 37 | |
- 35** Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)
 - 36a** Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions
 - b** Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____
 - c** Enter the name of the GIC provider ▶ _____
 - 37** Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units
 - 38a** If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the following information:
 - b** Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____
 - c** Enter the EIN of the issuer of the master pool bond ▶ _____
 - d** Enter the name of the issuer of the master pool bond ▶ _____
 - 39** If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box
 - 40** If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box
 - 41a** If the issuer has identified a hedge, check here and enter the following information:
 - b** Name of hedge provider ▶ _____
 - c** Type of hedge ▶ _____
 - d** Term of hedge ▶ _____
 - 42** If the issuer has superintegrated the hedge, check box
 - 43** If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box
 - 44** If the issuer has established written procedures to monitor the requirements of section 148, check box
 - 45a** If some portion of the proceeds was used to reimburse expenditures, check here and enter the amount of reimbursement ▶ _____
 - b** Enter the date the official intent was adopted ▶ (MM/DD/YYYY) _____

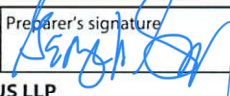
Signature and Consent

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.


July 27, 2022
Honorable Randy Moore, County Judge

Signature of issuer's authorized representative
Date
Type or print name and title

Paid Preparer Use Only

Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> self-employed	PTIN
George W. Scofield		July 27, 2022		PO1064612
Firm's name ▶ Norton Rose Fulbright US LLP			Firm's EIN ▶	74-1201087
Firm's address ▶ 1100 West Houston, Suite 1800, San Antonio, Texas 78205			Phone no.	210-224-5575

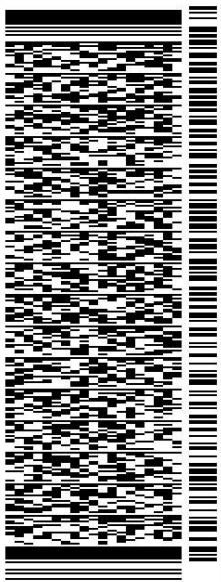
ORIGIN ID: EFDA (512) 474-5201
 LOU CAPP02Z01
 NORTON ROSE FULLBRIGHT US LLP
 98 SAN JACINTO BLVD
 SUITE 1100
 AUSTIN, TX 78701
 UNITED STATES US

SHIP DATE: 27 JUL 22
 ACTWGT: 0.50 LB
 CAD: 253864410MWSX13600

BILL SENDER

INTERNAL REVENUE SUBMISSION PROCESS
1973 N RULON WHITE BLVD

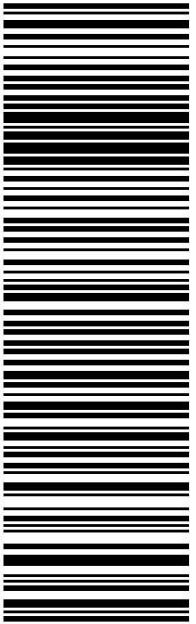
OGDEN UT 84201
 (512) 536-2463
 INV: REF: LCI79631001144314/
 PO: DEPT:



TRK# 2758 2549 6864
 0201

THU - 28 JUL 10:30A
 PRIORITY OVERNIGHT

AY OGD
 UT-US **84201 SLC**



581J20A92/FE4A

FOLD on this line and place in shipping pouch with bar code and delivery address visible

1. Fold the first printed page in half and use as the shipping label.
2. Place the label in a waybill pouch and affix it to your shipment so that the barcode portion of the label can be read and scanned.
3. Keep the second page as a receipt for your records. The receipt contains the terms and conditions of shipping and information useful for tracking your package.

Legal Terms and Conditions

Tendering packages by using this system constitutes your agreement to the service conditions for the transportation of your shipments as found in the applicable FedEx Service Guide, available upon request. FedEx will not be responsible for any claim in excess of the applicable declared value, whether the result of loss, damage, delay, non-delivery, misdelivery, or misinformation, unless you declare a higher value, pay an additional charge, document your actual loss and file a timely claim. Limitations found in the applicable FedEx Service Guide apply. Your right to recover from FedEx for any loss, including intrinsic value of the package, loss of sales, income interest, profit, attorney's fees, costs, and other forms of damage whether direct, incidental, consequential, or special is limited to the greater of 100 USD or the authorized declared value. Recovery cannot exceed actual documented loss. Maximum for items of extraordinary value is 500 USD, e.g. jewelry, precious metals, negotiable instruments and other items listed in our Service Guide. Written claims must be filed within strict time limits, see applicable FedEx Service Guide. FedEx will not be liable for loss or damage to prohibited items in any event or for your acts or omissions, including, without limitation, improper or insufficient packaging, securing, marking or addressing, or the acts or omissions of the recipient or anyone else with an interest in the package. See the applicable FedEx Service Guide for complete terms and conditions. To obtain information regarding how to file a claim or to obtain a Service Guide, please call 1-800-GO-FEDEX (1-800-463-3339).

\$10,410,000
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022

ISSUE PRICE CERTIFICATE

The undersigned, on behalf of Robert W. Baird & Co. Incorporated, Houston, Texas, as representative (the “*Representative*”) of the underwriters (the “*Underwriters*”), of the above captioned obligations (the “*Certificates*”) of Fannin County, Texas (the “*Issuer*”), hereby certifies as set forth below with respect to the sale and issuance of the Certificates. The Representative has implemented processes and procedures internally and among the Underwriters to obtain the information necessary to make the certifications made in this Issue Price Certificate. Accordingly, the certifications herein made are based upon the information available to and obtained by the Representative through these processes and procedures.

1. ***Sale of the General Rule Maturities.*** As of the date of this certificate, for each Maturity of the General Rule Maturities, the first price at which at least 10% of such Maturity was sold to the Public is the respective price listed in Schedule A.

2. ***Initial Offering Price of the Hold-the-Offering-Price Maturities.***

(a) The Representative offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in Schedule A (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Certificates is attached to this certificate as Schedule B.

(b) As set forth in the Bond Purchase Agreement, the Underwriters agreed in writing on or prior to the Sale Date that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, they would neither offer nor sell any of the Certificates of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*hold-the-offering-price rule*”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Certificates during the Holding Period.

3. ***Defined Terms.***

(a) *General Rule Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “*General Rule Maturities*.”

(b) *Hold-the-Offering-Price Maturities* means those Maturities of the Certificates listed in Schedule A hereto as the “*Hold-the-Offering-Price Maturities*.”

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Representative sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.

(d) *Maturity* means Certificates with the same credit and payment terms. Certificates with different maturity dates, or Certificates with the same maturity date but different stated interest rates, are treated as separate maturities.

(e) *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Certificates. The Sale Date of the Certificates is June 28, 2022.


(g) *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Certificates to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Certificates to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Certificates to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Representative’s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate with respect to the Certificates and with respect to compliance with the federal income tax rules affecting the Certificates, and by Norton Rose Fulbright US LLP in connection with rendering its opinion that the interest on the Certificates is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Certificates.

The Issuer may rely on the statements made herein in connection with making the representations set forth in the Tax Certificate to which this certificate is attached and in its efforts to comply with the conditions imposed by the Code. Norton Rose Fulbright US LLP may also rely on this certificate for purposes of its opinion regarding the treatment of interest on the Certificates as excludable from gross income for federal income tax purposes. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Representative is not engaged in the practice of law. Accordingly, the Representative makes no representation as to the legal sufficiency of the factual matters set forth herein.

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ROBERT W. BAIRD & CO. INCORPORATED

By:  _____

Name: Mark C. Nitcholas

Title: Managing Director

Dated: July 27, 2022

SCHEDULE A

**SALE PRICES OF THE GENERAL RULE MATURITIES AND
INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES**

SALE PRICES OF THE GENERAL RULE MATURITIES

<u>Maturity (3/1)</u>	<u>Amount (\$)</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>Price</u>
2023	100,000	5.000	1.950	101.792
2024	230,000	5.000	2.210	104.345
2025	245,000	5.000	2.450	106.369
2026	255,000	5.000	2.620	108.111
2027	270,000	5.000	2.710	109.827
2028	280,000	5.000	2.880	110.879
2029	295,000	5.000	3.040	111.629
2030	310,000	5.000	3.170	112.262
***	***	***	***	***
2032	345,000	5.000	3.380	113.177
2033	360,000	5.000	3.500	112.132
2034	380,000	5.000	3.610	111.184
***	***	***	***	***
2036	420,000	5.000	3.750	109.991
2037	440,000	5.000	3.780	109.737
***	***	***	***	***
2042	2,540,000	4.500	4.150	102.743
***	***	***	***	***
2047	3,215,000	5.000	4.050	107.486

INITIAL OFFERING PRICES OF THE HOLD-THE-OFFERING-PRICE MATURITIES

<u>Maturity</u> <u>(3/1)</u>	<u>Amount</u> <u>(\$)</u>	<u>Rate</u> <u>(%)</u>	<u>Yield</u> <u>(%)</u>	<u>Price</u>
2031	325,000	5.000	3.270	112.867
***	***	***	***	***
2035	400,000	5.000	3.690	110.500

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)

Wires

Branch Copy - Forwarded by Baird - WI

Wire Details

Actions:

Rec'd Date/Time (CST)	Sender	ST	Wire Type/Title	Master Message #	Deal Type
06/27/22 12:19 PM	Baird	WI	Final Pricing Wire		Neg

RE: \$ 10,410,000
 FANNIN COUNTY, TEXAS
 COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022

POS URL: https://samco.postos.com/wp-content/uploads/2022/06/Fannin-County.2022.CO_.POS_.pdf

MOODY'S: S&P: AA/AA-
 FITCH: KROLL:

Assured Guaranty Municipal Corp. Insured

DATED:07/01/2022 FIRST COUPON:03/01/2023 INTEREST ACCRUES:07/01/2022

DUE: 03/01

INITIAL TRADE DATE:

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
03/01/2023	100M	5.00%	1.95	1/4	307135GH0
			(Approx. \$ Price 101.792)		
03/01/2024	230M	5.00%	2.21	1/4	307135GJ6
			(Approx. \$ Price 104.345)		
03/01/2025	245M	5.00%	2.45	1/4	307135GK3
			(Approx. \$ Price 106.369)		
03/01/2026	255M	5.00%	2.62	1/4	307135GL1
			(Approx. \$ Price 108.111)		
03/01/2027	270M	5.00%	2.71	0.35	307135GM9
			(Approx. \$ Price 109.827)		
03/01/2028	280M	5.00%	2.88	0.35	307135GN7
			(Approx. \$ Price 110.879)		
03/01/2029	295M	5.00%	3.04	0.35	307135GP2
			(Approx. \$ Price 111.629)		
03/01/2030	310M	5.00%	3.17	3/8	307135GQ0
			(Approx. \$ Price 112.262)		
03/01/2031	325M	5.00%	3.27	3/8	307135GR8
			(Approx. \$ Price 112.867)		
03/01/2032	345M	5.00%	3.38	3/8	307135GS6
			(Approx. \$ Price 113.177)		
03/01/2033	360M	5.00%	3.50	0.425	307135GT4
			(Approx. \$ Price PTC 03/01/2032 112.132 Approx.		
YTM 3.611)					
03/01/2034	380M	5.00%	3.61	0.425	307135GU1
			(Approx. \$ Price PTC 03/01/2032 111.184 Approx.		
YTM 3.798)					
03/01/2035	400M	5.00%	3.69	0.425	307135GV9
			(Approx. \$ Price PTC 03/01/2032 110.500 Approx.		
YTM 3.934)					

03/01/2036	420M	5.00%	3.75	0.425	307135GW7
(Approx. \$ Price PTC 03/01/2032 109.991 Approx.					
YTM 4.037)					
03/01/2037	440M	5.00%	3.78	0.425	307135GX5
(Approx. \$ Price PTC 03/01/2032 109.737 Approx.					
YTM 4.106)					
03/01/2042	2,540M	4.50%	4.15	0.425	307135GY3
(Approx. \$ Price PTC 03/01/2032 102.743 Approx.					
YTM 4.291)					
03/01/2047	3,215M	5.00%	4.05	0.425	307135GZ0
(Approx. \$ Price PTC 03/01/2032 107.486 Approx.					
YTM 4.494)					

CALL FEATURES: Optional call in 03/01/2032 @ 100.00

Sinking Fund Schedule

2042 Term Bond

03/01/2038	465M
03/01/2039	485M
03/01/2040	505M
03/01/2041	530M
03/01/2042	555M

Sinking Fund Schedule

2047 Term Bond

03/01/2043	580M
03/01/2044	610M
03/01/2045	640M
03/01/2046	675M
03/01/2047	710M

PRIORITY OF ORDERS AS FOLLOWS:

1. Group Net
2. Member

PRIORITY POLICY:

The Senior Manager requests the identification of all priority orders at the time the orders are entered.

Delivery is firm for Wednesday, July 27, 2022.

This issue is book entry only. This issue is clearing through DTC.

Delivery: 07/27/2022 (Firm)
Initial trade:
Date of Execution:
Time of Execution:

Baird
Estrada Hinojosa & Company

By: Baird Milwaukee, WI

Close

PURCHASE AGREEMENT CLOSING CERTIFICATE

THE STATE OF TEXAS

§

COUNTY OF FANNIN

§

§

The undersigned, being an authorized official of Fannin County, Texas (the *Issuer*), in conformity with the requirements of the Purchase Agreement dated June 28, 2022 (the *Purchase Contract*) between the Issuer and Robert W. Baird & Co. Incorporated, as the Representative to the Underwriters (collectively, the *Underwriters*), HEREBY CERTIFIES, in relation to the issuance and delivery of obligations designated as “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022” (the *Obligations*), and the Official Statement dated June 28, 2022 (the *Official Statement*) used by the Underwriters in connection with the offering and sale of the Obligations, certifies as follows:

1. the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing;

2. no litigation or proceeding or material tax challenge against the Issuer is pending or, to my knowledge, threatened in any court or administrative body nor is there a basis for litigation that would (a) contest the right of the members, officers or officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Certificates or the Issuer Documents, or (d) attempt to limit, prohibit, restrain or enjoin or otherwise restrict or prevent the Issuer from functioning and levying and collecting ad valorem tax revenues, pledged to pay principal of and interest on the Certificates, or the pledge thereof;

3. all official actions of the Issuer relating to the Official Statement, the Certificates and the Issuer Documents have been duly taken and adopted by the Issuer and the Order has been duly adopted by the Issuer, and all are in full force and effect and have not been modified, amended, supplemented, or repealed;

4. to my knowledge, no event affecting the Issuer has occurred since the date of the Official Statement that should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which they were made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or

necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and

5. except as disclosed in the Official Statement, there has not been any material adverse change in the financial condition of the Issuer since September 30, 2021, the latest date as of which audited financial information of the Issuer is available.

Capitalized terms used in this certificate and not defined herein shall have the meanings assigned to them in the Purchase Agreement.

* * * *

TO CERTIFY WHICH, witness my hand and the seal of the Issuer this 27th day of July, 2022.

FANNIN COUNTY, TEXAS


Authorized Official

**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF
ASSURED GUARANTY MUNICIPAL CORP.**

The undersigned hereby certifies on behalf of Assured Guaranty Municipal Corp. ("AGM"), in connection with the issuance by AGM of its Policy No. 222185-N (the "Policy") in respect of the \$10,410,000 in aggregate principal amount of Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022 (the "Bonds") that:

- (i) the information set forth under the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**" in the official statement dated June 28, 2022, relating to the Bonds is true and correct,
- (ii) AGM is not currently in default nor has AGM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation,
- (iii) the Policy is an unconditional and recourse obligation of AGM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds in the event of Nonpayment by the Issuer (as set forth in the Policy),
- (iv) the insurance premium of \$21,774.01 (the "Premium") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to AGM as a condition to the issuance of the Policy,
- (v) no portion of such Premium represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by AGM to maintain its ratings, which, together with all other overhead expenses of AGM, are taken into account in the formulation of its rate structure, or for the provision of additional services by us, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor),
- (vi) AGM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Premium, AGM will not use any portion of the Bond proceeds; provided, however, that AGM or its affiliates may independently provide a guaranteed investment contract for the investment of all or a portion of the proceeds of the Bonds,
- (vii) except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by AGM,
- (viii) AGM does not expect that a claim will be made on the Policy,
- (ix) the Issuer is not entitled to a refund of the premium for the Policy in the event a Bond is retired before the final maturity date, and
- (x) for Bonds which are secured by a debt service reserve fund, AGM would not have issued the Policy unless the authorizing or security agreement for the Bonds provided for a debt service reserve fund funded and maintained in an amount at least equal to, as of any particular date of computation, the reserve requirement as set forth in such agreement.

AGM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

ASSURED GUARANTY MUNICIPAL CORP.



By: _____
Authorized Officer

Dated: July 27, 2022



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

July 22, 2022

THIS IS TO CERTIFY that the County of Fannin, Texas (the "Issuer"), has submitted the Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificate of Obligation, Series 2022 (the "Certificate"), in the principal amount of \$10,410,000, for approval. The Certificate is dated July 1, 2022, numbered T-1, and was authorized by an Order of the Issuer passed on June 28, 2022 (the "Order").

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

As to questions of fact material to our opinion, we have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to us without undertaking to verify the same by independent investigation.

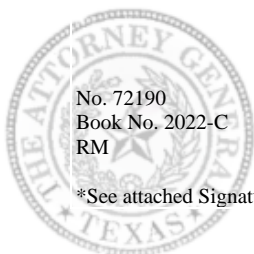
We express no opinion relating to the official statement or any other offering material relating to the Certificate.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows (capitalized terms, except as herein defined, have the meanings given to them in the Order):

- (1) The Certificate has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Certificate is payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the Issuer, and is further payable from and secured by a lien on and pledge of the Pledged Revenues of the Issuer's System, all as provided in the Order.

Therefore, the Certificate is approved.


Attorney General of the State of Texas



No. 72190
Book No. 2022-C
RM

*See attached Signature Authorization

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF TEXAS

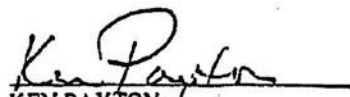
§
§
§

I, KEN PAXTON, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, district, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supersedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 5th day of January, 2015.



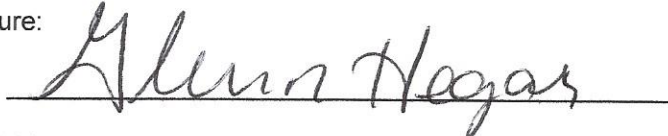

KEN PAXTON
Attorney General of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

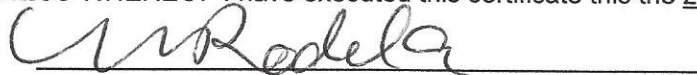
I, Nichole Rodela, Bond Clerk Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 22nd Day of July 2022, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificate of Obligation, Series 2022,

numbered T-1, dated July 1, 2022, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 22nd Day of July 2022.



I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 98284.

GIVEN under my hand and seal of office at Austin, Texas, this the 22nd Day of July 2022.





GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificate of Obligation, Series 2022

numbered T-1, of the denomination of \$ 10,410,000, dated July 1, 2022, as authorized by issuer, interest various percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 22nd Day of July 2022, under Registration Number 98284.

Given under my hand and seal of office, at Austin, Texas, the 22nd Day of July 2022.



A handwritten signature in black ink, appearing to read "Glenn Hegar", written in a cursive style.

GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas



July 27, 2022

Norton Rose Fulbright US LLP
Frost Tower
111 W. Houston Street, Suite 1800
San Antonio, Texas 78205
United States

Tel +1 210 224 5575
Fax +1 210 270 7205
nortonrosefulbright.com

FINAL

IN REGARD to the authorization and issuance of the “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022” (the *Certificates*), dated July 1, 2022 in the aggregate principal amount of \$10,410,000, we have reviewed the legality and validity of the issuance thereof by the Commissioners Court of Fannin County, Texas (the *Issuer*). The *Certificates* are issuable in fully registered form only, in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), and have Stated Maturities of March 1 in each of the years 2023 through 2037, March 1, 2042 and March 1, 2047, unless optionally or mandatorily redeemed prior to Stated Maturity in accordance with the terms stated on the face of the *Certificates*. Interest on the *Certificates* accrues from the dates, at the rates, in the manner, and is payable on the dates, all as provided in the order (the *Order*) authorizing the issuance of the *Certificates*. Capitalized terms used herein without definition shall have the meanings ascribed thereto in the *Order*.

WE HAVE SERVED AS BOND COUNSEL for the Issuer solely to pass upon the legality and validity of the issuance of the *Certificates* under the laws of the State of Texas and with respect to the exclusion of the interest on the *Certificates* from the gross income of the owners thereof for federal income tax purposes and for no other purpose. We have not been requested to investigate or verify, and have not independently investigated or verified, any records, data, or other material relating to the financial condition or capabilities of the Issuer or the Issuer’s library system (the *Library System*) and have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the *Certificates*. We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the *Certificates*. Our role in connection with the Issuer’s Official Statement prepared for use in connection with the sale of the *Certificates* has been limited as described therein.

WE HAVE EXAMINED, the applicable and pertinent laws of the State of Texas and the United States of America. In rendering the opinions herein we rely upon (1) original or certified copies of the proceedings of the Commissioners Court of the Issuer in connection with the issuance of the *Certificates*, including the *Order*; (2) customary certifications and opinions of officials of the Issuer; (3) certificates executed by officers of the Issuer relating to the expected use and investment of proceeds of the *Certificates* and certain other funds of the Issuer and to certain other facts solely within the knowledge and control of the Issuer; and (4) such other documentation, including an examination of the *Certificate* executed and delivered initially by the Issuer and such matters of law as we deem relevant to the matters discussed below. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements and information contained in such certificates. We express no opinion concerning any effect on the following opinions which may result from changes in law effected after the date hereof.

Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”

BASED ON OUR EXAMINATION, IT IS OUR OPINION that the Certificates have been duly authorized and issued in conformity with the laws of the State of Texas now in force and that the Certificates are valid and legally binding obligations of the Issuer enforceable in accordance with the terms and conditions described therein, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity. The Certificates are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the Issuer and are further payable from and secured by a lien on and pledge of the Pledged Revenues, being a limited amount of the Net Revenues derived from the operation of the Library System, such lien on and pledge of the limited amount of Net Revenues, being subordinate and inferior to the lien on and pledge of such Net Revenues securing the payment of any Prior Lien Bonds or Junior Lien Bonds hereafter issued by the Issuer. In the Order, the Issuer retains the right to issue Prior Lien Bonds, Junior Lien Bonds, and Parity Obligations without limitation as to principal amount but subject to any terms, conditions, or restrictions as may be applicable thereto under law or otherwise.

BASED ON OUR EXAMINATION, IT IS FURTHER OUR OPINION that, assuming continuing compliance after the date hereof by the Issuer with the provisions of the Order and in reliance upon the representations and certifications of the Issuer made in a certificate of even date herewith pertaining to the use, expenditure, and investment of the proceeds of the Certificates, under existing statutes, regulations, published rulings, and court decisions (1) interest on the Certificates will be excludable from the gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date hereof (the *Code*), of the owners thereof for federal income tax purposes, pursuant to section 103 of the Code, and (2) interest on the Certificates will not be included in computing the alternative minimum taxable income of the owners thereof.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Certificates. Ownership of tax-exempt obligations such as the Certificates may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, owners of an interest in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement Benefits, individuals otherwise qualifying for the earned income credit, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service; rather, such opinions represent our legal judgment based upon our review of existing law

Legal Opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, in connection with the authorization and issuance of "FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022"

that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

Norton Rose Fulbright US LLP

Norton Rose Fulbright US LLP

July 27, 2022

Fannin County, Texas
200 East 1st Street
Bonham, Texas 75418

Robert W. Baird & Co. Incorporated
as the authorized representative
of a group of underwriters
2 Blvd Place
1700 Post Oak Boulevard, Suite 600
Houston, Texas 77056

Norton Rose Fulbright US LLP
98 San Jacinto Boulevard, Suite 1100
Austin, Texas 78701-4255
United States

Tel +1 512 474 5201
Fax +1 512 536 4598
nortonrosefulbright.com

Ladies and Gentlemen:

We have served as bond counsel to Fannin County, Texas (the *County*) in connection with the issuance of an aggregate of \$10,410,000 original principal amount of "Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022" (the *Obligations*) pursuant to the provisions of an order duly adopted by the Commissioners Court of the County on June 28, 2022 (the *Order*). Capitalized terms not otherwise defined in this opinion have the meanings assigned in the hereinafter defined Purchase Contract.

In our capacity as Bond Counsel, we have reviewed the following:

- (a) a certified copy of the Order;
- (b) an executed counterpart of the Purchase Contract dated June 28, 2022 (the *Purchase Contract*) between the County and the Underwriters named in such Purchase Contract;
- (c) an executed counterpart of the Paying Agent/Registrar Agreement dated as June 28, 2022 (the *Agreement*) between the County and BOKF, NA, Dallas, Texas, as paying agent/registrar;
- (d) a copy of the Official Statement dated June 28, 2022;
- (e) such other agreements, documents, certificates, opinions, letters, and other papers as we have deemed necessary or appropriate in rendering the opinions set forth below; and
- (f) the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code Section 271.041 through Section 271.064, Section 1473.002, as amended, Texas Government Code, and Chapter 323, Texas Local Government Code, as amended, and such other provisions of the Constitution and laws of the State of Texas and the United States of America as we believe necessary to enable us to render the opinions herein contained.

In making our review, we have assumed the authenticity of all documents and agreements submitted to us as originals, conformity to the originals of all documents and agreements submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents and agreements, and the accuracy of the statements contained in such documents.

Based upon the foregoing, and subject to the qualifications and exceptions hereinafter set forth, we are of the opinion that under the applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

Norton Rose Fulbright US LLP is a limited liability partnership registered under the laws of Texas.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc are separate legal entities and all of them are members of Norton Rose Fulbright Verein, a Swiss verein. Norton Rose Fulbright Verein helps coordinate the activities of the members but does not itself provide legal services to clients. Details of each entity, with certain regulatory information, are available at nortonrosefulbright.com.

1. The Order has been duly adopted by the County and is in full force and effect.
2. The Obligations are exempted securities that do not require registration under the Securities Act of 1933, as amended (the *1933 Act*) and the Trust Indenture Act of 1939, as amended (the *Trust Indenture Act*), and it is not necessary, in connection with the offering and sale of the Obligations, to register any securities under the 1933 Act or to qualify the Order under the Trust Indenture Act.
3. The statements in the Official Statement, insofar as they describe the Obligations and the Order (except for any financial, technical, or statistical data therein), under the captions “THE CERTIFICATES” (except for the information contained in the subcaptions “Sources and Uses”, “Payment Record” and “Default and Remedies”, as to which no opinion is expressed), “TAX MATTERS”, “CONTINUING DISCLOSURE OF INFORMATION” (except under the subheading “Compliance with Prior Agreements”, as to which no opinion is expressed), “OTHER PERTINENT INFORMATION—Registration and Qualification of Certificates For Sale”, “OTHER PERTINENT INFORMATION—Legal Investments and Eligibility to Secure Public Funds in Texas”, and “OTHER PERTINENT INFORMATION—Legal Opinions and No-Litigation Certificate”, are accurate and fair descriptions of the laws and legal issues addressed therein and, with respect to the Obligations, such information conforms to the Order.

We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Obligations. We express no opinion concerning any effect on the foregoing opinions which may result from changes in law effected after the date hereof.

In rendering this opinion, we have not represented any of the Underwriters nor rendered any advice to the Underwriters in connection with the Purchase Contract or the transactions contemplated thereby, other than as set forth therein. This opinion may not be relied upon by any other person or by you in any other context, without our prior written consent. This opinion is not to be used, circulated, quoted, or otherwise referred to for any other purpose.

Very truly yours,



Norton Rose Fulbright US LLP



1020 NE Loop 410, Suite 401
San Antonio, Texas 78209
210-890-2860
www.cantuharden.com

July 27, 2022

Robert W. Baird & Co. Incorporated,
as Representative of a Group of Underwriters
1700 Post Oak Boulevard, Suite 1600
Houston, Texas 77056

Ladies and Gentlemen:

We have acted as your counsel in connection with the purchase by you on this date of the \$10,410,000 Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligations, Series 2022 (the “*Certificates*”) pursuant to a Purchase Agreement dated June 28, 2022 (the “*Purchase Agreement*”) between you and the Fannin County, Texas (the “*Issuer*”). This opinion is being furnished to you pursuant to Section 6(i)(5) of the Purchase Agreement. Unless otherwise expressly provided herein, capitalized terms used in this opinion shall have the meanings ascribed to them in the Purchase Agreement.

We have examined a printed copy of the Preliminary Official Statement dated June 14, 2022 (the “*Preliminary Official Statement*”) and the Official Statement dated June 28, 2022 (the “*Official Statement*”) and executed copies of the Order, and we have examined and rely upon the certificates and opinions referred to in Section 6(i) of the Purchase Agreement.

In our examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified or photostatic copies, the authenticity of the originals of such latter documents, and the accuracy of the statements contained in such certificates.

Based upon the foregoing, and subject to the qualifications and exceptions hereinafter set forth, we are of the opinion that under applicable laws of the United States of America and the State in force and effect on the date hereof:

1. The Certificates are exempted securities within the meaning of the Securities Act of 1933, as amended, and it is not necessary in connection with the offer and sale of the Certificates to the public to register the Certificates under the Securities Act of 1933, as amended, or to qualify the Order under the Trust Indenture Act of 1939, as amended. We express no opinion as to any requirements as to the registration of any other security or qualification of any other instrument under such Acts.

2. We have not verified the information contained in the Preliminary Official Statement or the Official Statement. However, as your counsel we have participated in discussions with respect to the Preliminary Official Statement and the Official Statement with representatives

Legal Opinion of Cantu Harden LLP, San Antonio, Texas, in connection with the “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022”

of SAMCO Capital Markets, Inc., financial advisor to the Issuer, the Issuer, Norton Rose Fulbright US LLP, Bond Counsel to the Issuer, and you, and, as stated above, we have reviewed the Preliminary Official Statement and the Official Statement. In the course of such discussions and review, nothing has come to our attention that leads us to believe that the Preliminary Official Statement, as of its date, and the Official Statement, as of its date and the date hereof (except with respect to the information relating to The Depository Trust Company and its Book-Entry-Only System, financial statements and other financial and statistical data included therein and in the Appendices thereto, and the information set forth under the headings “TAX MATTERS”, and Appendices A, B, and D thereto as to which we have not been requested to express a view and as to which we express no view) contained or contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

In addition, based upon (i) our understanding of Rule 15c2-12 of the United States Securities and Exchange Commission (the “*Rule*”) and interpretive guidance published by the United States Securities and Exchange Commission relating thereto; (ii) our review of the continuing disclosure undertaking of the Issuer contained in the Order; and (iii) the inclusion in the Official Statement of a description of the specifics of such undertaking, and in reliance on the opinion of Bond Counsel that the Order has been duly adopted by the Commissioners Court and constitutes a valid and legally binding obligation of the Issuer enforceable in accordance with its terms, we have no reason to believe that such undertaking does not meet the requirements of paragraph (b)(5)(i) of the Rule and, accordingly, we advise you that such undertaking provides a suitable basis for you, as the Underwriter, and any other broker, dealer, or municipal securities dealer acting as a Participating Underwriter (as defined in the Rule) in connection with the offering of the Certificates, to make a reasonable determination that the Issuer has met the qualifications of paragraph (b)(5)(i) of the Rule.

We express no opinion and make no comment with respect to the sufficiency of the security for or the marketability of the Certificates.

This legal opinion expresses the professional judgment of this firm as to the legal issues explicitly addressed herein. In rendering a legal opinion, we do not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction; nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

This opinion is furnished solely for your benefit and may be relied upon only by the addressees hereof or anyone to whom specific permission is given in writing by us.

Very truly yours,





July 27, 2022

Municipal Bond Insurance Policy No. 222185-N
With Respect to
\$10,410,000 In Aggregate Principal Amount of
Fannin County, Texas
Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

Ladies and Gentlemen:

I am Counsel of Assured Guaranty Municipal Corp., a New York stock insurance company ("AGM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by AGM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. AGM is a stock insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein and in the State of Texas.
2. The Policy has been duly authorized, executed and delivered by AGM.
3. The Policy constitutes the valid and binding obligation of AGM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of AGM and to the application of general principles of equity.

In addition, please be advised that I have reviewed the description of the Policy under the caption "**BOND INSURANCE – Bond Insurance Policy**" in the official statement relating to the above-referenced Bonds dated June 28, 2022 (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, the caption "**BOND INSURANCE – Assured Guaranty Municipal Corp.**".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

Very truly yours,



Counsel

Fannin County, Texas
Bonham, Texas

Robert W. Baird & Co., Inc.
Houston, Texas

Estrada Hinojosa & Company, Inc.
San Antonio, Texas

Assured Guaranty Municipal Corp.

1633 Broadway
New York, NY 10019

main 1 212 974 0100
fax 1 212 581 3268

info@agltd.com

AssuredGuaranty.com

July 27, 2022

Assured Guaranty Municipal Corp.
1633 Broadway
New York, New York 10019

Norton Rose Fulbright US LLP
98 San Jacinto Boulevard, Suite 1100
Austin, Texas 78701-4255
United States

Tel +1 512 474 5201
Fax +1 512 536 4598
nortonrosefulbright.com

Re: Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of
Obligation, Series 2022 (the *Obligations*)

Ladies and Gentlemen:

You are hereby authorized to rely upon our opinion of even date herewith (the *Opinion*) as of its date with respect to the legality and validity of the *Obligations* described above and the status of interest thereon under the Internal Revenue Code of 1986, as amended, as if such opinion were addressed to you.

In rendering the *Opinion*, we have not represented you nor rendered any advice to you in connection with the *Obligations*, other than that set forth herein and in the *Opinion*.

We do not undertake to advise you of matters which may come to our attention subsequent to the date hereof which may affect our legal opinion and conclusions expressed herein, and we call to your attention the fact that our legal opinions and conclusions are an expression of professional judgment and not a guarantee of result.



Norton Rose Fulbright US LLP

June 28, 2022

Ms. Theresia Goetz
Cash and Securities Management Division
Bond Registration Division
Texas Comptroller of Public Accounts
Thomas Jefferson Rusk Building
208 East 10th Street, 2nd Floor, Room 232
Austin, Texas 78701-2407

Re: “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates
of Obligation, Series 2022”

Dear Ms. Goetz:

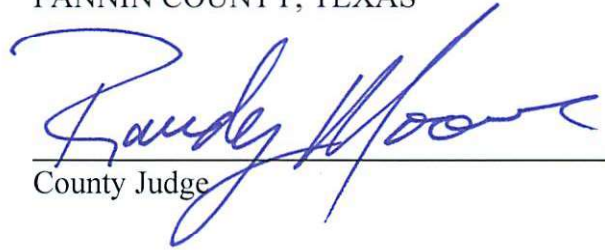
The initial Certificate prepared in connection with the captioned financing will be delivered to you by the Attorney General, when approved by him. We request that you register the initial Certificate on behalf of the County and, when so registered, mail it, along with the approving opinions of the Attorney General, together with the Comptroller’s registration certificates, directly to the offices of Norton Rose Fulbright US LLP, 98 San Jacinto Boulevard, Suite 1100, Austin, Texas 78701, Attn: Stephanie Leibe.

[The remainder of this page intentionally left blank.]

Thank you for your assistance in this matter.

Very truly yours,

FANNIN COUNTY, TEXAS


County Judge

June 28, 2022

Mr. Tony Hongnoi
BOKF, NA
5956 Sherry Lane, Suite 120
Dallas, Texas 75225

Re: “Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022”, dated July 1, 2022 (the *Certificates*)

Dear Mr. Hongnoi:

The payment for and delivery of the Certificates to the initial purchasers is to occur at your bank. Preliminary to the delivery of the Certificates, the firm of Norton Rose Fulbright US LLP, 98 San Jacinto Boulevard, Suite 1100, Austin, Texas 78701 will receive one fully-registered obligation in the total principal amount of the Certificates (the *Initial Certificate*) from the Comptroller of Public Accounts of the State of Texas, together with the approving opinions of the Attorney General, for their examination and review. After the examination of the Initial Certificate by such firm, it will be sent to you, and thereupon you are authorized to cancel the Initial Certificate and deliver the Definitive Certificates, if any, to the initial purchasers thereof, or their order, upon payment being made therefor in immediately available funds in accordance with the terms of the Receipt.

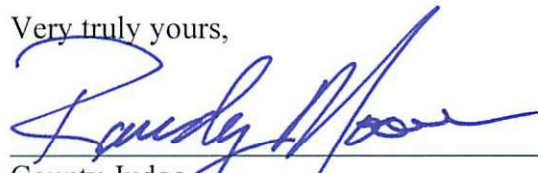
When payment for the Initial Certificate has occurred, please transmit the proceeds thereof by the fastest means available in immediately available funds to the Issuer’s depository bank and as directed in the Closing Memorandum relating to the closing of the Certificates.

Should any litigation having any effect upon the Initial Certificate develop prior to the time you have received payment for it, I will notify you at once by telephone or by other means of electronic communication. You may thus be assured that there is no such litigation at the time the Initial Certificate is delivered by you unless you have been advised otherwise as provided herein.

[The remainder of this page intentionally left blank.]

Thank you for your assistance in this matter.

Very truly yours,

A handwritten signature in blue ink, appearing to read "Randy Moore". The signature is written in a cursive style and is positioned above a horizontal line.

County Judge,
Fannin County, Texas

June 28, 2022

Assured Guaranty Municipal Corp.
1633 Broadway, 24th Floor
New York, NY 10019
Attention: Mr. Richard Bauerfeld, Chief Surveillance Officer

Re: *\$10,410,000 Fannin County, Texas, Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022, dated: July 1, 2022, due: March 1, 2023-2037, 2042 and 2047, (POLICY #222185-N)*

Dear Mr. Bauerfeld:

S&P Global Ratings has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating from "AA-" to "AA" on the above obligations. The rating on the above obligations is based on the policy provided by your company.

We may adjust the underlying rating and the capital charge as a result of changes in the financial position of the issuer or performance of the collateral, or of amendments to the documents governing the issue, as applicable. With respect to the latter, please notify us of any changes or amendments over the term of the debt.

The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

S&P Global Ratings
a division of Standard & Poor's Financial Services LLC

td

S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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No Third Party Beneficiaries. Nothing in any credit rating engagement, or a credit rating when issued, is intended or should be construed as creating any rights on behalf of any third parties, including, without limitation, any recipient of a credit rating. No person is intended as a third party beneficiary of any credit rating engagement or of a credit rating when issued.



CLOSING MEMORANDUM

\$10,410,000
FANNIN COUNTY, TEXAS
COMBINATION TAX AND LIMITED PLEDGE REVENUE
CERTIFICATES OF OBLIGATION, SERIES 2022 (THE "CERTIFICATES")

Date: July 20, 2022
To: Attached Distribution List
From: Mark M. McLiney
Andrew Friedman
Danni Breaux
SAMCO Capital Markets, Inc.
(210) 832-9760

1. The closing time and date for the above-referenced issue is **Wednesday, July 27, 2022**, at 10:00 A.M., Central Time. A final debt service schedule is attached as Exhibit "A". This transaction will close through DTC's "Fast" Book Entry Only System.
2. **Robert W. Baird & Co. Incorporated**, (the "Purchaser") shall wire **\$11,175,335.04** to **BOKF, NA**, Dallas, Texas (the "Paying Agent/Registrar") ABA #103900036; Trust Fund Account #600024642, Wealth Management Account, Re: Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022, Attn: Nick Deskin (214-987-8833), ndeskin@bokf.com calculated as follows:

Par Amount of the Certificates	\$10,410,000.00
Plus: Accrued Interest	36,674.44
Plus: Reoffering Premium	787,989.35
Less: Purchaser's Discount	<u>(59,328.75)</u>
Total Amount to be Wired from the Purchaser	<u>\$11,175,335.04</u>

3. The **Paying Agent/Registrar** shall wire **\$21,774.01** (the "Bond Insurance Premium"), with Fannin County, Texas (the "County") being a third-party beneficiary thereof, to Assured Guaranty Municipal Corp's ("AGM"), Bank: BNY Mellon, New York, Account Name: Assured Guaranty Municipal Corp., Account Number: 8900297263, ABA Number: 021 000 018, Policy No.: 222185-N.
4. The **Paying Agent/Registrar** shall retain **\$400.00** for the first year's Paying Agent Registrar fee.
5. The **Paying Agent/Registrar** shall wire **\$11,036,674.44**, to Legend Bank, Bonham, Texas, Routing # 111903290, Account # 1001307076, Attention Bill Yarbrow, President (903) 583-2163 ext. 80903 / Carolyn Stroud, Manager/AVP (903) 583-2163 ext. 809455, for further credit by the County as follows:

a) 2022 Certificate Project Fund	\$11,000,000.00
b) 2022 Certificate Interest & Sinking Fund	\$ 36,674.44

6. The **Paying Agent/Registrar** shall wire **\$35,980.00** to **Norton Rose Fulbright US LLP** (“Bond Counsel”), representing the Bond Counsel fee, Texas Attorney General’s filing fee and other expenses, to Account Name: Norton Rose Fulbright US LLP, Bank Name: HSBC Bank USA, N.A., 95 Washington Street, 4th Floor South, Buffalo, NY 14203, Account Number: 827023227, ACH Routing Number: 022000020, Wire Routing Number:021001088, SWIFT Code: MRMDUS33, CHIPS ABA: 0108, Reference Number: Matter #1001144314.
7. The **Paying Agent/Registrar** shall wire **\$80,506.59** from the proceeds of the Certificates to **SAMCO Capital Markets, Inc.** for certain fees and expenses associated with the legal authorization and issuance of the Certificates to Wells Fargo Bank, N.A., San Francisco, Account Name: SAMCO Capital Markets, Inc., Account # 2000019286402, ABA Routing # 121000248, Issue Name: Fannin County, Texas Certificates of Obligation, Series 2022 F/C: San Antonio Public Finance #529.04, Attn: Georgia A. Bosworth (512) 344-7463.
8. Upon receipt of funds from the Purchaser, the good faith check in the amount of \$110,000.00 shall be returned uncashed (by a trackable method) to:

Attn: Ron Foelske
 Robert W. Baird & Co. Incorporated
 777 E. Wisconsin Ave. – 9th Floor
 Milwaukee, WI 53202
 (414) 765-7001
Rfoelske@rwbaird.com

9. The Reconciliation of Receipts and Disbursements is as follows:

Receipts:

Par Amount of Certificates	\$	10,410,000.00
Plus: Accrued Interest		36,674.44
Plus: Reoffering Premium		787,989.35
Less: Purchaser's Discount		(59,328.75)
Total Receipts	\$	<u>11,175,335.04</u>

Disbursements:

Project Fund Deposit	\$	11,000,000.00
Certificate Fund Deposit (Accrued Interest)		36,674.44
Bond Insurance Premium (AGM)		21,774.01
Paying Agent/Registrar Fee (First Year)		400.00
Bond Counsel Fees and Expenses (includes Attorney General Fee - \$9,500)		35,980.00
Financial Advisor Fees and Expenses		80,506.59
Total Disbursements	\$	<u>11,175,335.04</u>

BOND DEBT SERVICE

Fannin County
 Certificates of Obligation, Series 2022 (Final Pricing with AGM)

Dated Date 07/01/2022
 Delivery Date 07/27/2022

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2023	100,000	5.000%	338,533.33	438,533.33	
09/01/2023			251,400.00	251,400.00	
09/30/2023					689,933.33
03/01/2024	230,000	5.000%	251,400.00	481,400.00	
09/01/2024			245,650.00	245,650.00	
09/30/2024					727,050.00
03/01/2025	245,000	5.000%	245,650.00	490,650.00	
09/01/2025			239,525.00	239,525.00	
09/30/2025					730,175.00
03/01/2026	255,000	5.000%	239,525.00	494,525.00	
09/01/2026			233,150.00	233,150.00	
09/30/2026					727,675.00
03/01/2027	270,000	5.000%	233,150.00	503,150.00	
09/01/2027			226,400.00	226,400.00	
09/30/2027					729,550.00
03/01/2028	280,000	5.000%	226,400.00	506,400.00	
09/01/2028			219,400.00	219,400.00	
09/30/2028					725,800.00
03/01/2029	295,000	5.000%	219,400.00	514,400.00	
09/01/2029			212,025.00	212,025.00	
09/30/2029					726,425.00
03/01/2030	310,000	5.000%	212,025.00	522,025.00	
09/01/2030			204,275.00	204,275.00	
09/30/2030					726,300.00
03/01/2031	325,000	5.000%	204,275.00	529,275.00	
09/01/2031			196,150.00	196,150.00	
09/30/2031					725,425.00
03/01/2032	345,000	5.000%	196,150.00	541,150.00	
09/01/2032			187,525.00	187,525.00	
09/30/2032					728,675.00
03/01/2033	360,000	5.000%	187,525.00	547,525.00	
09/01/2033			178,525.00	178,525.00	
09/30/2033					726,050.00
03/01/2034	380,000	5.000%	178,525.00	558,525.00	
09/01/2034			169,025.00	169,025.00	
09/30/2034					727,550.00
03/01/2035	400,000	5.000%	169,025.00	569,025.00	
09/01/2035			159,025.00	159,025.00	
09/30/2035					728,050.00
03/01/2036	420,000	5.000%	159,025.00	579,025.00	
09/01/2036			148,525.00	148,525.00	
09/30/2036					727,550.00
03/01/2037	440,000	5.000%	148,525.00	588,525.00	
09/01/2037			137,525.00	137,525.00	
09/30/2037					726,050.00
03/01/2038	465,000	4.500%	137,525.00	602,525.00	
09/01/2038			127,062.50	127,062.50	
09/30/2038					729,587.50
03/01/2039	485,000	4.500%	127,062.50	612,062.50	
09/01/2039			116,150.00	116,150.00	
09/30/2039					728,212.50

BOND DEBT SERVICE

Fannin County
Certificates of Obligation, Series 2022 (Final Pricing with AGM)

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
03/01/2040	505,000	4.500%	116,150.00	621,150.00	
09/01/2040			104,787.50	104,787.50	
09/30/2040					725,937.50
03/01/2041	530,000	4.500%	104,787.50	634,787.50	
09/01/2041			92,862.50	92,862.50	
09/30/2041					727,650.00
03/01/2042	555,000	4.500%	92,862.50	647,862.50	
09/01/2042			80,375.00	80,375.00	
09/30/2042					728,237.50
03/01/2043	580,000	5.000%	80,375.00	660,375.00	
09/01/2043			65,875.00	65,875.00	
09/30/2043					726,250.00
03/01/2044	610,000	5.000%	65,875.00	675,875.00	
09/01/2044			50,625.00	50,625.00	
09/30/2044					726,500.00
03/01/2045	640,000	5.000%	50,625.00	690,625.00	
09/01/2045			34,625.00	34,625.00	
09/30/2045					725,250.00
03/01/2046	675,000	5.000%	34,625.00	709,625.00	
09/01/2046			17,750.00	17,750.00	
09/30/2046					727,375.00
03/01/2047	710,000	5.000%	17,750.00	727,750.00	
09/30/2047					727,750.00
	10,410,000		7,735,008.33	18,145,008.33	18,145,008.33

\$10,410,000
FANNIN COUNTY, TEXAS (the "ISSUER")
COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION,
SERIES 2022 (the "CERTIFICATES")

DISTRIBUTION LIST

ISSUER

Mr. Randy Moore, County Judge
Ms. Alicia Whipple, County Auditor
Ms. Sherry Zindars, Assistant Auditor
Fannin County
101 E. Sam Rayburn Drive, Suite 101
Bonham, Texas 75418
Telephone: (903) 583-7455
Fax: (903) 583-7811
(903) 583-7451 (Ms. Alicia Whipple)

countyjudge@fanninco.net
awhipple@fanninco.net
smzindars@fanninco.net

BOND COUNSEL

Ms. Stephanie Leibe
Mr. Matt Lee
Mr. Chris Guevara
Mr. Patrick O'Daniel
Mr. Lou Cappozzoli
Norton Rose Fulbright US LLP
98 San Jacinto Blvd, Suite 1100
Austin, Texas 78701
Telephone: (512) 474-5201

stephanie.leibe@nortonrosefulbright.com
matt.lee@nortonrosefulbright.com
chris.guevara@nortonrosefulbright.com
patrick.odaniel@nortonrosefulbright.com
lou.cappozzoli@nortonrosefulbright.com

UNDERWRITER (SENIOR MANAGER)

Mr. Mark Nitcholas
Mr. Mike Rice
Ms. Yvonne Bustamante
Mr. Bryan Derdenger
Robert W. Baird & Co. Incorporated
1700 Post Oak Blvd, Suite 600
Houston, Texas 77056
Telephone: (713) 230-6152

MNitcholas@rwbaird.com
mcrice@rwbaird.com
ybustamante@rwbaird.com
bderdenger@rwbaird.com

FINANCIAL ADVISOR

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Mr. Andrew Friedman
Mr. Ryan Cunningham
Ms. Danni Breaux
SAMCO Capital Markets, Inc.
1020 Northeast Loop 410, Suite 640
San Antonio, Texas 78209
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Distribution List (Continued)

Fannin County

Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022

Page 2

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Mr. Jose Gaytan

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July 27, 2022

Mr. Randy Moore
County Judge
Fannin County
101 E. Sam Rayburn Drive, Suite 101
Bonham, Texas 75418

STATEMENT

For services rendered and expenses incurred in connection with the legal authorization and issuance of **\$10,410,000 Fannin County, Texas Combination Tax and Limited Pledge Revenue Certificates of Obligation, Series 2022**

\$80,506.59

RECEIPT

THE STATE OF TEXAS

§

COUNTY OF FANNIN

§

§

THE UNDERSIGNED HEREBY CERTIFIES that:

1. This receipt is executed and delivered with respect to the “FANNIN COUNTY, TEXAS COMBINATION TAX AND LIMITED PLEDGE REVENUE CERTIFICATES OF OBLIGATION, SERIES 2022”, dated July 1, 2022, in the aggregate principal amount of \$10,410,000.00 (the *Certificates*). The issuer of the Certificates is the Commissioners Court of Fannin County, Texas (the *Issuer*).

2. On the date shown hereof, the Certificates were delivered to the initial purchasers:

Robert W. Baird & Co. Incorporated, Houston, Texas,
as the authorized representative of a group of underwriters

3. All of the Certificates have been paid for in full by the initial purchasers concurrently with the delivery of this receipt, and the Issuer has received the agreed purchase price for the Certificates, as follows:

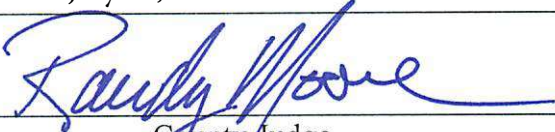
Principal Amount	\$10,410,000.00
Reoffering Premium	787,989.35
Accrued Interest	36,674.44
Less: Purchasers' Discount	<u>(59,328.75)</u>
Total Amount Received	\$11,175,335.04

4. The undersigned has executed this receipt in the capacity hereinafter shown for and on behalf of the Issuer.

[The remainder of this page intentionally left blank.]

EXECUTED AND DELIVERED, this

July 27, 2022



County Judge,
Fannin County, Texas

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

Certificate Number:
2022-892886

Date Filed:
05/31/2022

Date Acknowledged:

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Robert W. Baird & Co. Incorporated
Houston, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Fannin County, Texas

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
FANNIN COUNTY COS 2022
Bond purchase agreement related to certificates of obligations

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Maxwell, Terry	Milwaukee, WI United States	X	
	Booth, Steven G.	Milwaukee, WI United States	X	
	Lawton, Patrick S.	Milwaukee, WI United States	X	
	Schroeder, Michael	Milwaukee, WI United States	X	
	Stanek, Mary Ellen	Milwaukee, WI United States	X	
	Doyal, Brian	Chicago, IL United States	X	
	McDonagh, Brian	Chicago, IL United States	X	
	Cantu Harden, LLP	San Antonio, TX United States		X

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is Mark C. Nitcholas, and my date of birth is 10/19/1961.

My address is 1700 Post Oak Blvd., Suite 600, Houston, Tx, 77056, USA.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Harris County, State of Texas, on the 31 day of May, 2022.
(month) (year)



Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Robert W. Baird & Co. Incorporated
Houston, TX United States

Certificate Number:
2022-892886

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Fannin County, Texas

Date Filed:
05/31/2022

Date Acknowledged:
07/18/2022

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
FANNIN COUNTY COS 2022
Bond purchase agreement related to certificates of obligations

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Maxwell, Terry	Milwaukee, WI United States	X	
	Booth, Steven G.	Milwaukee, WI United States	X	
	Lawton, Patrick S.	Milwaukee, WI United States	X	
	Schroeder, Michael	Milwaukee, WI United States	X	
	Stanek, Mary Ellen	Milwaukee, WI United States	X	
	Doyal, Brian	Chicago, IL United States	X	
	McDonagh, Brian	Chicago, IL United States	X	
	Cantu Harden, LLP	San Antonio, TX United States		X

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Estrada Hinojosa & Co., Inc.
Dallas, TX United States

Certificate Number:
2022-893235

Date Filed:
06/01/2022

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Fannin County

Date Acknowledged:

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
FANNIN COUNTY COS 2022
Bond purchase agreement related to certificates of obligations.

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary
Hinojosa, Noe	Dallas, TX United States	X	
Gonzales, Donald	Dallas, TX United States	X	
Jack, Paul	Austin, TX United States	X	
Abadin, Lourdes	Miami, FL United States	X	
Gordon, Dave	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

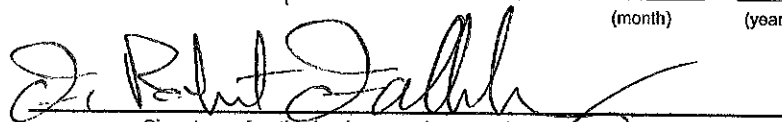
6 UNSWORN DECLARATION

My name is F. Robert Falkenberg and my date of birth is 5/10/1962

My address is 600 North Pearl St #2100 Dallas TX 75201 USA
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in Dallas County, State of Texas, on the 1st day of June, 2022.
(month) (year)


Signature of authorized agent of contracting business entity
(Declarant)

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

**OFFICE USE ONLY
CERTIFICATION OF FILING**

Certificate Number:
2022-893235

Date Filed:
06/01/2022

Date Acknowledged:
07/18/2022

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.
Estrada Hinojosa & Co., Inc.
Dallas, TX United States

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.
Fannin County

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.
FANNIN COUNTY COS 2022
Bond purchase agreement related to certificates of obligations.

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Hinojosa, Noe	Dallas, TX United States	X	
	Gonzales, Donald	Dallas, TX United States	X	
	Jack, Paul	Austin, TX United States	X	
	Abadin, Lourdes	Miami, FL United States	X	
	Gordon, Dave	Dallas, TX United States	X	

5 Check only if there is NO Interested Party.

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20____.
(month) (year)

Signature of authorized agent of contracting business entity
(Declarant)