

CERTIFICATE FOR RESOLUTION

STATE OF TEXAS §
COUNTY OF BROWN §
MAY INDEPENDENT SCHOOL DISTRICT §

We, the undersigned officers of the Board of Trustees of May Independent School District, hereby certify as follows:

1. The Board of Trustees of May Independent School District convened in a regular meeting on the 5th day of December, 2011, at the regular meeting place thereof, within said District, and the roll was called of the duly constituted officers and members of said Board, to wit:

Ada Turner	President
Kevin Mote	Vice-President
Katy Lord	Secretary
Bo E. Allen	Member
Joe Crume	Member
Jeff Hoskinson	Member
Jeff Phillips	Member

and all of said persons were present, except the following absentee(s): Katy Lord, Bo E. Allen, and Jeff Hoskinson. Whereupon, among other business, the following was transacted at said meeting: a written

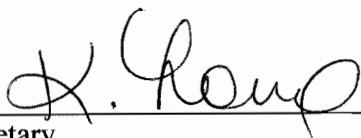
RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF
MAY INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX
QUALIFIED SCHOOL CONSTRUCTION NOTES, TAXABLE SERIES 2012Q
(DIRECT PAY TO ISSUER); AND CONTAINING OTHER MATTERS
RELATED THERETO


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

AYES: 4 NOES: 0 ABSTAIN: 0

2. A true, full, and correct copy of the aforesaid resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said resolution has been duly recorded in said Board's minutes of said meeting; that the above and foregoing paragraph is a true, full, and correct excerpt from said Board's minutes of said meeting pertaining to the adoption of said resolution; that the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the date, hour, place, and purpose of the aforesaid meeting, and that said resolution would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place, and subject of said meeting was given as required by the Texas Open Meetings Act.

SIGNED AND SEALED this 5th of December, 2011.


Secretary


President



SIGNATURE PAGE FOR CERTIFICATE FOR RESOLUTION

RESOLUTION AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF MAY INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX QUALIFIED SCHOOL CONSTRUCTION NOTES, TAXABLE SERIES 2012Q (DIRECT PAY TO ISSUER) AND CONTAINING OTHER MATTERS RELATED THERETO

THE STATE OF TEXAS §
COUNTY OF BROWN §
MAY INDEPENDENT SCHOOL DISTRICT §

WHEREAS, May Independent School District (the "District") is authorized to borrow money for the purpose of paying maintenance expenses, as defined and permitted by Section 45.108, Texas Education Code, as amended, and to issue negotiable notes for such purpose; and

WHEREAS, the Board of Trustees (the "Board") of the District has determined that it is in the best interest of the District to issues notes for such purpose in the amount of \$1,000,000 (the "Notes"); and

WHEREAS, the Board has adopted its budget for the current school year beginning September 1, 2011 and ending August 31, 2012;

WHEREAS, the American Recovery and Reinvestment Act of 2009 grants a national allocation of \$11 billion to provide for the issuance of qualified school construction bonds, in accordance with the qualified tax credit bond program (the "Tax Credit Program") found in Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"), and the District has received an allocation from the Texas Education Agency (the "District Allocation") sufficient to provide financing for the construction, reconstruction and repair of public school facilities, or the acquisition of land on which such facilities are to be constructed with part of the proceeds of such issue; and

WHEREAS, the Board deems it appropriate to adopt this Order and issue the Notes herein authorized, as permitted by the Act and to use a portion of the District Allocation to issue and sell the Notes;

NOW THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE MAY INDEPENDENT SCHOOL DISTRICT:

Section 1. **Findings and Determinations; Definitions.** The Board hereby finds and determines that the facts and recitations contained in the preamble of this Resolution are true and correct. Throughout this Resolution the following terms and expressions as used herein shall have the meanings set forth below:

"Attorney General" means the Attorney General of Texas.

"Board" means the Board of Trustees of the District.

“Business Day” means any day which is not a Saturday, Sunday, a day on which the Registrar is authorized by law or executive order to remain closed or a legal holiday.

“Closing Date” means the date of initial delivery of and payment for the Notes.

“Code” means the Internal Revenue Code of 1986, as amended.

“Comptroller” means the Comptroller of Public Accounts of the State of Texas.

“Debt Service Fund” means the interest and sinking fund established by the District pursuant to Section 19 of this Resolution.

“District” means the May Independent School District, and any successor to its duties and functions.

“Federal Subsidy” means a cash subsidy payment from the United States Treasury payable pursuant to Section 6431 of the Code equal to the lesser of (i) 100% of the interest payable on a Note interest payment date or (ii) the amount of interest which would have been payable under such Note on such date if such interest were determined at the applicable credit rate determined under Section 54A(b)(3) with respect to such Note.

“Initial Note” means the Initial Note authorized in Section 5 of this Resolution.

“Interest Payment Date” means December 15, 2012 and each December 15 thereafter until maturity or prior redemption.

“Issuance Date” means the date on which the Initial Note is delivered to and paid for by the Purchaser. Notes delivered on transfer of or in exchange for other Notes shall bear the same Issuance Date as the Note or Notes in lieu of or in exchange for which the new Note is delivered.

“Note” or “Notes” means the May Independent School District Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Pay to Issuer) authorized in this Resolution, unless the context clearly indicates otherwise.

“Owner” or “Registered Owner” means any person who shall be the registered owner of any outstanding Note.

“Purchase Agreement” means the agreement between the District and the Purchaser described in Section 21 of this Order.

“Purchaser” means Southside Bank.

“Record Date” means, for any Interest Payment Date, the close of business on the last Business Day of the month next preceding each Interest Payment Date.

“Register” means the books of registration kept by the Registrar in which are maintained the names and addresses of, and the principal amounts of the Notes registered to each Owner.

“Registrar” means BOKF, NA dba Bank of Texas, whose designated payment office is in Austin, Texas, and its successors in the capacities of paying agent and registrar for the Notes.

“Resolution” as used herein and in the Notes means this resolution authorizing the Notes.

“Treasury Rate” means, with respect to any redemption date for a particular Note, the yield to maturity as of such redemption date of United States Treasury securities with a constant maturity (as compiled and published in the most recent Federal Reserve Statistical Release H.15 (519) that has become publicly available at least two Business Days prior to the redemption date (excluding inflation indexed securities) (or, if such Statistical Release is no longer published, any publicly available source of similar market data)) most nearly equal to the period from the redemption date to the maturity date of the Note to be redeemed; provided, however, that if the period from the redemption date to such maturity date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year will be used. At the request of the Paying Agent/Registrar, the make-whole optional redemption price of the Notes to be redeemed will be determined by an independent accounting firm, investment banking firm or financial advisor retained by the District at the District’s expense to calculate such redemption price. The Paying Agent/Registrar and the District may conclusively rely on the determination of such redemption price by such independent accounting firm, investment banking firm or financial advisor and will not be liable for such reliance.

All terms defined herein and all pronouns used in this Resolution shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections are for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms and provisions hereof. This Resolution and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Notes and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Notes.

Section 2. **Authorization; Purposes.** The Notes shall be issued, pursuant to the Constitution and laws of the State of Texas, particularly Chapter 45, Texas Education Code and Sections 54F and 6431 of the Code, in fully registered form, without coupons, in the total authorized aggregate amount of ONE MILLION DOLLARS (\$1,000,000), for the renovation and equipment of school buildings in the District (including the rehabilitation, expansion and improvement thereof) and to pay for the costs of issuance for the Notes.

Section 3. **Designation and Date.** The Notes shall be designated as the “MAY INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX QUALIFIED SCHOOL CONSTRUCTION NOTES, TAXABLE SERIES 2012Q (DIRECT PAY TO ISSUER),” and shall be dated December 1, 2011. The Notes, comprised of the principal and interest component and the associated tax credit shall bear interest at the rates set forth in Section 4 of this Resolution from the later of Issuance Date, or the most recent Interest Payment Date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on December 15, 2012, and on each December 15 thereafter until maturity or prior redemption.

Section 4. **Principal Amounts and Interest Rates; Numbers and Denominations.** The Notes shall be issued in the principal amounts and bearing interest at the rates set forth in the following schedule, and may be transferred and exchanged as set out in this Resolution. The Notes shall mature on December 15, 2026, bear interest at the rate of 5.16% per annum with a Tax Credit Rate of 5.06% per annum and pay principal annually as set forth below. The Initial Note shall be numbered I-1 and all other Notes shall be numbered in sequence beginning with R-1. Notes delivered on transfer of or in exchange for other Notes shall be numbered (with appropriate prefix) in order of their authentication by the Registrar, shall be in the denomination denominations of generally \$5,000 or any integral multiple of \$5,000 in excess thereof and shall mature on the same date and bear interest at the same rate as the Note or Notes in lieu of which they are delivered.

Principal Payment Date (December 15)	Principal Amount
2012	\$66,000
2013	66,000
2014	66,000
2015	66,000
2016	66,000
2017	67,000
2018	67,000
2019	67,000
2020	67,000
2021	67,000
2022	67,000
2023	67,000
2024	67,000
2025	67,000
2026	67,000

Section 5. **Execution and Registration of Notes.**

(a) The Notes shall be signed by the President or the Vice President of the Board and countersigned by the Secretary of the Board, by their manual, lithographed or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Notes shall have the same effect as if each of the Notes had been signed manually and in person by each of such officers, and such facsimile seal on the Notes shall have the same effect as if the official seal of the District had been manually impressed upon each of the Notes.

(b) If any officer of the District whose manual or facsimile signature shall appear on the Notes shall cease to be such officer before the authentication of such Notes or before the delivery of such Notes, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer has remained in such office.

(c) Except as provided below, no Note shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Resolution unless and until there appears thereon the

Registrar's Authentication Certificate substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Registrar. In lieu of the executed Registrar's Authentication Certificate described above, the Initial Note delivered at the Closing Date shall have attached hereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller, or by his duly authorized agent, which certificates shall be evidence that the Initial Note has been duly approved by the Attorney General and that it is a valid and binding obligation of the District, and has been registered by the Comptroller.

(d) On the Closing Date, the Initial Note, being a single note representing the entire principal amount of the Notes, payable in stated installments to the Purchaser, executed by manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller shall be delivered to the Purchaser.

Section 6. **Approval by Attorney General; Registration by Comptroller.** The Initial Note shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The President, the Vice President and the Secretary of the Board are authorized hereby to have control and custody of the Notes and all necessary records and proceedings pertaining thereto pending their delivery, and the President, the Vice President and the Secretary and other officers and employees of the District are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Notes and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the Initial Note by the Comptroller. Upon registration of the Notes, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Exhibit A of this Resolution, and such certificate shall be affixed or attached to the Initial Note, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon.

Section 7. **Payment of Principal and Interest.** The Registrar is hereby appointed as the paying agent for the Notes. The principal of the Notes shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon presentation and surrender as they respectively become due and payable at maturity or earlier redemption at the principal payment office of the Registrar in Dallas, Texas. The interest on each Note shall be payable by check on the Interest Payment Date and mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date to the address of such Owner as shown on the Register.

If the date for payment of the principal of or interest on any Note is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

Section 8. **Successor Registrars.** The District covenants that at all times while any Notes are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Registrar for the Notes. The District reserves the right to change the Registrar for the Notes on not less than thirty (30) days' written notice to the Registrar, as long

as any such notice is effective not less than sixty (60) days prior to the next succeeding principal or interest payment date on the Notes. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or a copy thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

Section 9. **Special Record Date.** If interest on any Note is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of record of an affected Note as of the close of business on the Business Day prior to the mailing of such notice.

Section 10. **Ownership; Unclaimed Principal and Interest.** The District, the Registrar and any other person may treat the person in whose name any Note is registered as the absolute Owner of such Note for the purpose of making and receiving payment of the principal of or interest on such Note and for all other purposes, whether or not such Note is overdue, and neither the District nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Note in accordance with this Section shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Note to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Notes remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Registrar to the District upon receipt by the Registrar of a written request therefor from the District. The Registrar shall have no liability to the Owners of the Notes by virtue of actions taken in compliance with this Section.

Section 11. **Registration, Transfer and Exchange.** So long as any Notes remain outstanding, the Registrar shall keep the Register at its principal office in Dallas, Texas, and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Notes in accordance with the terms of this Resolution.

Each Note shall be transferable only upon the presentation and surrender thereof at the principal corporate trust office of the Registrar in Dallas, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the Registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Note in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within three Business Days after such presentation, a new Note or Notes, registered in the name of the

transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Note or Notes so presented.

All Notes shall be exchangeable upon presentation and surrender thereof at the principal corporate trust office of the Registrar in Dallas, Texas, for a Note or Notes of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Note or Notes presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Notes in accordance with the provisions of this Section. Each Note delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Note or Notes in lieu of which such Note is delivered.

The District or the Registrar may require the Owner of any Note to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Note. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the District.

Section 12. **Mutilated, Lost or Stolen Notes.** Upon the presentation and surrender to the Registrar of a damaged or mutilated Note, the Registrar shall authenticate and deliver in exchange therefor a replacement Note of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a damaged or mutilated Note to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Note is lost, apparently destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Note has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Note of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Note, before any replacement Note is issued, to:

- (1) furnish to the District and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Note;
- (2) furnish such security or indemnity as may be required by the Registrar and the District to save them harmless;
- (3) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and
- (4) meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of a replacement Note, a bona fide purchaser of the original Note in lieu of which such replacement Note was issued presents for payment such original Note, the District and the Registrar shall be entitled to recover such replacement Note from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Note has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Note, authorize the Registrar to pay such Note.

Each replacement Note delivered in accordance with this Section shall be entitled to the benefits and security of this Resolution to the same extent as the Note or Notes in lieu of which such replacement Note is delivered.

Section 13. **Cancellation of Notes.** All Notes paid or redeemed in accordance with this Resolution, and all Notes in lieu of which exchange Notes or replacement Notes are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment. The Registrar shall furnish the District with appropriate certificates of destruction of such Notes.

Section 14. **Reserved.**

Section 15. **Reserved.**

Section 16. **Reserved.**

Section 17. **Redemption Prior to Maturity; Defeasance.** The Notes are subject to optional, extraordinary and special mandatory redemption as set forth in the Form of Note in this Resolution.

Notice of any redemption identifying the Notes to be redeemed in whole or in part shall be given by the Registrar at least thirty (30) days prior to a redemption date for the Notes, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each Owner of a Note to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Notes are to be surrendered for payment and, if less than all Notes outstanding are to be redeemed, the numbers of Notes or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Notes or portions thereof to be redeemed. When Notes have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Notes or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise

accrue or compound after the redemption date on any Note or portion thereof called for redemption shall terminate on the date fixed for redemption.

The Notes may be discharged, defeased, redeemed or refunded in any manner now or hereafter permitted by law.

Section 18. **Forms.** The form of the Notes, including the form of the Registrar's Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, which shall be attached or affixed to the Initial Note issued shall be, respectively, substantially set forth in the FORM OF NOTE, set forth in Exhibit A of this Resolution, with such additions, deletions and variations as may be necessary or desirable and not prohibited by this Resolution.

Section 19. **Debt Service Fund; Tax Levy.** A special fund to be designated "May Independent School District Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Pay to Issuer) Debt Service Fund" (the "Debt Service Fund") is hereby created, and the proceeds from all taxes levied, assessed and collected for and on account of the Notes authorized by this Resolution shall be deposited, as collected, in the Debt Service Fund. While the Notes or any part of the principal thereof remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, a continuing annual ad valorem maintenance tax, within the limits prescribed by law, upon all taxable property in the District, sufficient (i) to pay the interest on the Bonds as such interest comes due and (ii) to provide and maintain a sinking fund adequate to pay the principal of such Bonds as such principal matures, full allowance being made for delinquencies and costs of collection, and said taxes are hereby irrevocably pledged to the payment of the principal of the Notes and to no other purpose.

To pay the debt service coming due on the Bonds prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose. The District will take into account the balance in the Debt Service Fund when it sets its debt service tax rate each year.

Section 20. **Application of Chapter 1208, Government Code.** Chapter 1208, Government Code, applies to the issuance of the Notes and the pledge of the taxes granted by the District under Section 19 of this Resolution, and such pledge is therefor valid, effective and perfected. If Texas law is amended at any time while the notes are outstanding and unpaid such that the pledge of the taxes granted by the District under Section 19 of this Resolution is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Notes the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 21. **Sale of Notes; Purchase Agreement.** The Notes shall be sold and delivered to the Purchaser at a price of \$1,000,000 (representing the par amount of the Notes), in

accordance with the terms of a Purchase Agreement of even date herewith presented to and hereby approved by the Board, which price and terms are hereby found and determined to be the most advantageous reasonably obtainable by the District.

Section 22. **Use of Proceeds.** Proceeds from the sale of the Notes shall, promptly upon receipt by the District, be applied as follows:

- (i) Proceeds on the Notes in the amount of \$20,000, shall be used to pay costs of issuance.
- (ii) Proceeds in the amount of \$980,000 shall be used for the purposes set out in Section 2.
- (iii) Any proceeds remaining after accomplishing the purposes set out in Section 2, including earnings on investments of such proceeds, shall be deposited into the Debt Service Fund.

Section 23. **Designation and Covenants Related to Tax Credit.**

(a) **Definitions.** When used in this Section, the following terms have the following meanings:

“*Available Project Proceeds*” means the proceeds from the sale of the Notes less the costs of issuance financed by the Notes, (which costs shall not exceed two percent (2%) of the proceeds of the sale of the Notes), plus any investment earnings on such amounts.

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

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

“*Expenditure Period*” means the three (3) year period beginning on the Closing Date, plus any extension of such period granted by the Secretary of the Treasury.

“*Investment*” 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 Notes.

“*Nonqualified Notes*” means the portion of the outstanding Notes in an amount that, if the remaining Notes were issued on the last day of the Expenditure Period, all of the Available Project Proceeds of the remaining Notes would have been used for Qualified Purposes within the Expenditure Period.

“*Qualified Purposes*” means the construction, rehabilitation, or repair of a public school facility (including expenditures for the acquisition of equipment to be used in a portion or the

portions of a public school facility being constructed, rehabilitated, or repaired with the proceeds of the Notes) or for the acquisition of land on which such a facility is to be constructed with a portion of the proceeds of the Notes.

“*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 which are applicable to the Notes. Any reference to a 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 Notes has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Designations and Elections. The District hereby designates the Notes as “qualified school construction bonds” pursuant to Section 54F of the Code, and irrevocably elects to receive payments of credit (the “Federal Subsidy”) provided by Section 6431 of the Code.

(c) Use for Qualified Purposes. All of the Available Project Proceeds of the Notes shall be used only for Qualified Purposes.

(d) Jurisdiction. All of the public school facilities to be financed with the Available Project Proceeds of the Notes shall be located within both the jurisdiction of the District and the jurisdiction of the authorized State entity that allocated note limitation to the issue to the extent applicable.

(e) Costs of Issuance Limitation. Costs of issuance financed with proceeds of the Notes shall not exceed two percent (2%) of the proceeds of the sale of the Notes.

(f) Binding Commitment. The District will incur a binding commitment with a third party to spend at least ten percent (10%) of the Available Project Proceeds of the Notes within six (6) months of the date of issuance.

(g) Use within Three Years. All of the Available Project Proceeds of the Notes will be expended for Qualified Purposes within three years of the Closing Date.

(h) Redemption of Nonqualified Notes. If less than one hundred percent (100%) of the Available Project Proceeds of the Notes are expended for Qualified Purposes within the Expenditure Period, the District shall redeem all Nonqualified Notes within ninety (90) days of the end of the Expenditure Period in accordance with Section 18 hereof.

(i) Reimbursement. Any reimbursement of proceeds of the Notes for capital expenditures for Qualified Purposes incurred prior to the Closing Date will be undertaken strictly in accordance with Section 54A(d)(2)(D) of the Code, i.e., the expenditures to be reimbursed shall only be incurred after the Secretary of the Treasury has made an allocation of bond

limitation with respect to the issue, prior to the payment of the original expenditure the District shall have declared its intent to reimburse such expenditure with proceeds of the Notes, not later than sixty (60) days after payment of the original expenditure the District shall have adopted an official intent to reimburse the original expenditure with such proceeds, and the reimbursement shall be made not later than eighteen (18) months after the date the original expenditure is paid.

(j) Conflicts of Interest. Pursuant to section 54A(d)(5) of the Code, the District certifies that all applicable State and local laws governing conflicts of interest are satisfied and will continue to be satisfied with respect to the Notes. The District certifies that if the Secretary of the Treasury prescribes additional conflict of interest rules governing appropriate members of Congress, Federal, State, and local officials, and their spouses, such additional rules will be satisfied with respect to the Notes.

(k) Davis-Bacon Act. The District shall comply, and take steps to assure that its contractors working on Qualified Purposes shall comply, with subchapter IV of chapter 31 of the title 40 of the United States Code (the Davis-Bacon Act), with respect to projects financed with the proceeds of the Notes.

(l) Not to Cause Notes to Fail to Qualify. The District shall not take any action, or fail to take any action, if such action or failure to take such action would cause the Notes to not be “qualified school construction bonds” under Section 54F of the Code.

(m) Not to Invest at Higher Yield. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, as modified by Sections 54A(d)(4)(B) and (C) of the Code, the District shall not at any time prior to the final Stated Maturity of the Notes directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such Investment, the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Notes. These restrictions on Yield of Investments shall not apply to the investment of Available Project Proceeds during the Expenditure Period or with respect to a Qualified Sinking Fund.

(n) Rebate of Arbitrage Profits. Except to the extent otherwise provided in Section 148(f) of the Code and the Regulations and rulings thereunder, as modified by Sections 54A(d)(4)(B) and (C) of the Code:

(1) The District 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 (6) years after the day on which the last Outstanding Note is discharged.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in Section 148(f) of the Code and the Regulations and rulings thereunder, as modified by Sections 54A(d)(4)(B) and (C) of the Code. The District shall maintain such calculations with its official transcript of

proceedings relating to the issuance of the Notes until six (6) years after the final Computation Date.

(3) As additional consideration for the purchase of the Notes by the purchasers and the loan of the money represented thereby, the District shall pay to the United States the amount that when added to the future value of previous rebate payments made for the Notes 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 District 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.

(5) This subsection shall not apply to the investment of Available Project Proceeds during the Expenditure Period or with respect to a Qualified Sinking Fund.

(o) Not to Divert Arbitrage Profits. Except to the extent permitted by Section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Notes, enter into any transaction that reduces the amount required to be paid to the United States pursuant to subsection (k) 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 Notes not been relevant to either party.

(p) Execution of Certifications. The District shall execute and deliver such certifications and representations as are determined by Bond Counsel to be required to qualify the Notes as "qualified school construction bonds" under the Code and Regulations, and the President, Vice President and Secretary of the Board of Trustees of the District, Superintendent of Schools and the Business Manager, individually or jointly, are hereby authorized and directed to execute such certifications or representations.

(q) Accuracy of Tax Certificate. The District represents and warrants the accuracy of the Tax Certificate to be executed on the Closing Date by the District.

(r) Elections. The District hereby directs and authorized the President, Vice President and Secretary of the Board of Trustees of the District, the Superintendent of Schools, and the Business Manager, individually or jointly, 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 Notes, in the Tax Certificate or similar or other appropriate certificate, form, or document.

(s) **Information Report.** The District shall timely file the information required to be filed with the Secretary of the Treasury on Form 8038-TC or such other form and in such place as the Secretary may prescribe.

(t) **Survival of Covenants.** Notwithstanding any other provision of this Resolution, the District's representations and obligations under the covenants and provisions of this Section 24 shall survive the defeasance and discharge of the Notes for as long as such matters are relevant to the designation of the Notes as "qualified school construction bonds" for federal income tax purposes.

Section 24. **Maximum Maturity.** No Note shall mature later than the maximum maturity with respect to qualified school construction bonds as published by the Bureau of Public Debt at <https://www.treasurydirect.gov> for the calendar month in which the Notes are sold.

Section 25. **Reserved.**

Section 26. **Reserved.**

Section 27. **Related Matters.** To satisfy in a timely manner all of the District's obligations under this Resolution and the Purchase Agreement, the President, the Vice President and Secretary or Assistant Secretary of the Board and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Notes, including, without limitation, executing and delivering on behalf of the District all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the District's obligations under this Resolution and the Purchase Agreement and to direct the transfer and application of funds of the District consistent with the provisions of this Resolution.

Section 28. **Power to Revise Form of Documents.** Notwithstanding any other provision of this Resolution, the President of the Board and the Superintendent are hereby authorized to make or approve such revisions, additions, deletions, and variations to this Resolution and in the form of the documents attached hereto as exhibits as, in the judgment of the President or the Superintendent, and in the opinion of Bond Counsel to the District, may be necessary or convenient to carry out or assist in carrying out the purposes of this Resolution, the final Official Statement, or as may be required for approval of the Notes by the Attorney General of Texas; provided, however, that any material changes to such documents resulting in substantive amendments to the terms and conditions of the Notes or such documents shall be subject to the prior approval of the Board.

Section 29. **No Personal Liability.** No recourse shall be had for payment of the principal of or interest on any Notes or for any claim based thereon, or on this Resolution, against any official or employee of the District or any person executing any Notes.

Section 31. **Registrar.** The form of agreement setting forth the duties of the Registrar is hereby approved, and the appropriate officials of the District are hereby authorized to execute such agreement for and on behalf of the District.

Section 32. **Open Meeting.** It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended.

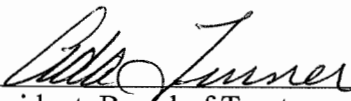
Section 31. **Effective Date.** This Resolution shall be in full force and effect from and upon its adoption.

Section 32. **Severability.** If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 33. **Repealer.** All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.


[signature page follows]

PASSED AND APPROVED this 5th day of December, 2011.



President, Board of Trustees
May Independent School District

ATTEST:



Secretary, Board of Trustees
May Independent School District

(SEAL)

Exhibit A – Form of Note

EXHIBIT A

(a) Form of Note.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BROWN

NUMBER	PRINCIPAL AMOUNT
R-	\$1,000,000
REGISTERED	REGISTERED

MAY INDEPENDENT SCHOOL DISTRICT
MAINTENANCE TAX QUALIFIED SCHOOL CONSTRUCTION NOTES
TAXABLE SERIES 2012Q (DIRECT PAY TO ISSUER)

INTEREST RATE:	ISSUANCE	MATURITY DATE:	TAX CREDIT
	DATE:		RATE:
5.16%	January 6, 2012	December 15, 2026	5.06%

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

MAY INDEPENDENT SCHOOL DISTRICT (the "District") promises to pay to the Registered Owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Note at the principal payment office of BOKF, NA dba Bank of Texas, in Austin, Texas (the "Registrar"), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Issuance Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for. The date of this Note is December 1, 2011. Interest on this Note is payable on December 15, 2012, and on each December 15 thereafter, by check dated as of the interest payment date and mailed to the Registered Owner of record as of the last business day of the month next preceding each interest payment date, to the address of such owner, as shown on the books of registration kept by the Registrar.

THIS NOTE is one of a duly authorized issue of notes, aggregating \$1,000,000 (the "Notes"), issued for the renovation and equipment of school buildings in the District (including the rehabilitation, expansion and improvement thereof) and to pay for the costs of issuance for the Notes, all pursuant to the Constitution and laws of the State of Texas including section 45.108, Texas Education Code, and a resolution adopted by the Board of Trustees of the District on December 5, 2011 (the "Resolution"), and in accordance with Section 54F of the Code.

THE NOTES ARE NOT subject to optional redemption prior to maturity.

TO THE EXTENT that 100% of the available project proceeds (as defined in Section 54F(e)(4) of the Code) are not expended for purposes set forth in Section 3 of the Resolution by the close of the 3-year period beginning on the date of delivery of the Notes (or if an extension of such expenditure period has been received by the District from the Secretary of the Treasury, by the close of the extended period), the District shall redeem an amount of Notes equal to such unexpended proceeds (rounded up to the next highest authorized denomination) within 90 days after the end of such period, at a redemption price equal to the principal amount thereof, plus any accrued but unpaid interest on the Notes to the date fixed for redemption, payable from such unexpended proceeds held by the District.

UPON A DETERMINATION of a Loss of Qualified School Construction Bond Status, the Notes are subject to extraordinary redemption prior to their maturity date, at the option of the District, in whole, on the date designated by the District, at a redemption price equal to the greater of (a) the principal amount of the Notes to be redeemed; or (b) the sum of the present value of (i) the remaining scheduled payments of principal and interest, not including any portion of those payments of interest accrued and unpaid as of the date on which the Notes are to be redeemed, discounted to the date on which the Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus accrued and unpaid interest on the Notes to be redeemed to the redemption date, and (ii) the present value of the remaining principal discounted to the date on which the Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points.

THE TERM "Qualified Purpose" means the construction, rehabilitation, or repair of a public school facility or the acquisition of land on which such a facility is to be constructed with part of the proceeds of the Notes.

THE TERM "Available Project Proceeds" means proceeds from the sale of the Notes, less costs of issuance not to exceed 2% of such proceeds, plus investment earnings on the proceeds of such Notes pending their expenditure.

THE TERM "Date of Loss of Qualified School Construction Bond Status" means the date specified in a Determination of a Loss of Qualified School Construction Bond Status as the date from and after which the Notes lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status (defined below), which date could be as early as the date of issuance of the Notes.

THE TERM "Date of Loss of Qualified School Construction Bond Status" means (a) a final determination by the IRS (after the District has exhausted all administrative appeal remedies and has determined not to pursue any remedies in a court of competent jurisdiction) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status, or (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred.

THE TERM "Accountable Event of Loss of Qualified School Construction Bond Status" means (a) any act or any failure to act on the part of the District, which act or failure to act is a breach of a covenant or agreement of the District contained in the Resolution, the Paying Agent Agreement, or the Notes and which act or failure to act causes the Notes to lose their status, or fail to qualify, as Qualified School Construction Bonds, (b) the making by the District of any representation contained in the Resolution, the Paying Agent Agreement, the Federal Tax Certificate, or the Notes, which representation was untrue when made and the untruth of which representation at such time causes the Notes to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

NOTICE OF ANY REDEMPTION shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Note to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Notes or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Notes or portions thereof called for redemption shall terminate on the date fixed for redemption.

THIS NOTE IS TRANSFERABLE only upon presentation and surrender at the principal corporate trust office of the Registrar in Dallas, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Resolution.

THIS NOTE IS EXCHANGEABLE at the principal corporate trust office of the Registrar in Dallas, Texas, for Notes in the denomination of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution.

THIS NOTE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Note is either (i) registered by the Comptroller of Public Accounts of the State of Texas by due execution of the registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Note, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Resolution.

THE DISTRICT has covenanted in the Resolution that it will at all times provide a legally qualified registrar for the Notes and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Note has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Note have been performed, exist and have been done in accordance with law; that the Notes do not exceed any constitutional or statutory limitation; and that annual ad valorem maintenance taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Note, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this Note has been signed with the manual or facsimile signature of the President or the Vice President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this Note.

MAY INDEPENDENT SCHOOL DISTRICT

President, Board of Trustees

(SEAL)

Secretary, Board of Trustees

(b) Form of Comptroller's Registration Certificate.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

(c) Form of Registrar's Authentication Certificate.

AUTHENTICATION CERTIFICATE

It is hereby certified that this Note has been delivered pursuant to the Resolution described in the text of this Note.

BOKF, NA dba Bank of Texas,
as Paying Agent/Registrar

By: _____
Authorized Signature
Date of Authentication _____

(d) Form of Assignment.

ASSIGNMENT

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

(Please print or type name, address and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

DATED: _____

Signature Guaranteed:

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

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Note in every particular, without any alteration, enlargement or change whatsoever.

(e) The Initial Note shall be in the form set forth in paragraphs (a), (b) and (d) above, except for the following alterations:

- (i) in the first paragraph of the Note, the words "on the maturity date specified above" and "at the rate shown above" shall be deleted and the following shall be inserted at the end of the first sentence "..., with such principal to be paid in installments on the dates, in each of the years and in the principal amounts identified in the following schedule and with such installments bearing interest at the per annum rates set forth in the following schedule:"

[Information to be inserted from schedule in Section 4]

- (ii) the Initial Note shall be numbered I-1.

GENERAL CERTIFICATE

THE STATE OF TEXAS §
COUNTY OF BROWN §

We, the undersigned, President and Secretary of the Board of Trustees of May Independent School District (the "District"), do hereby make and execute this certificate for the benefit of the Attorney General of the State of Texas and all other persons interested in the District's Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Pay to Issuer) (the "Obligations"), dated December 1, 2011, now in the process of issuance. We certify the following, to wit:

- (1) The Board of Trustees of the District consist of the following members:

Ada Turner	President
Kevin Mote	Vice President
Katy Lord	Secretary
Bo E. Allen	Member
Joe Crume	Member
Jeff Hoskinson	Member
Jeff Phillips	Member

(2) Neither the boundaries nor the status of the District have in any way been altered or changed since the issuance of the District's Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011 (the "Series 2011 Bonds").

(3) The District is currently accredited by the Texas Education Agency, and has been fully recognized by all State and County authorities as an independent school district duly established and operating under the laws of the State of Texas; the District has never been declared invalid; and since the issuance of the Series 2011 Bonds no litigation or proceedings whatsoever have been filed in any court of this State or with any County Board of Education, or with the State Commissioner of Education, or with the State Board of Education, questioning the validity or the boundaries of the District, and no such litigation or proceedings are pending.

(4) The 2011 certified taxable valuation of the District is \$148,760,486.

(5) A true and correct copy of the Debt Service Schedule for the Obligations is attached as Exhibit A.

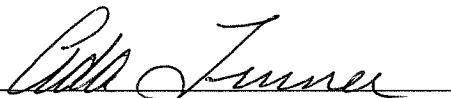
(6) The District has no outstanding indebtedness payable from its maintenance taxes except for the Obligations.

(7) The District is authorized to levy a maximum ad valorem tax of \$1.50 per \$100 assessed valuation for the further maintenance of its public schools pursuant to an election held on April 3, 1954, and the provisions of Article 2784e-1, Tex. Rev. Civ. Stat., as amended. The most recently adopted maintenance tax of the District for fiscal year 2012 is \$1.040 per \$100 assessed valuation and the debt service tax rate is \$0.2690 per \$100 assessed valuation for a total tax rate of \$1.3090 per \$100 assessed valuation.

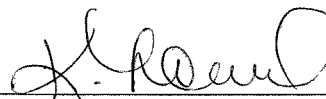
(8) That the District has adopted a budget for the current school year. The principal amount of the Obligations issued pursuant to section 45.108, Education Code, is \$1,000,000 and does not exceed 75% of the District's income for the previous year. The District's maintenance tax collections for the 2010/11 school year are \$1,427,962.

(9) That pursuant to the requirements of the Attorney General, the District complies with the state compression percentage test (applicable to obligations payable from a school district's maintenance tax) as set out in Exhibit B.

WITNESS OUR HANDS AND OFFICIAL SEAL OF THE DISTRICT, this 5th day of December, 2011.



President, Board of Trustees
May Independent School District



Secretary, Board of Trustees
May Independent School District



(SEAL)

Exhibit A

DEBT SERVICE SCHEDULE

MAY INDEPENDENT SCHOOL DISTRICT

Maintenance Tax Notes, Taxable Series 2012(QSCB)

1/6/2012

Tax Credit Rate 5.06% Set on 12/5/2011

Dates	Principal Amount	Coupon Rate	Interest Amount	Total Debt Service	Tax Credit Rate	Federal Rebate Amount	Net Rate to MISD	Net Interest Cost to MISD	Net Total Debt Service	Net Fiscal Year Debt Service
12/15/2012	\$66,000	5.16	\$48,590.00	\$114,590.00	5.06	\$47,648.33	0.10	\$941.67	\$66,941.67	\$66,941.67
12/15/2013	\$66,000	5.16	\$48,194.40	\$114,194.40	5.06	\$47,260.40	0.10	\$934.00	\$66,934.00	\$66,934.00
12/15/2014	\$66,000	5.16	\$44,788.80	\$110,788.80	5.06	\$43,920.80	0.10	\$868.00	\$66,868.00	\$66,868.00
12/15/2015	\$66,000	5.16	\$41,383.20	\$107,383.20	5.06	\$40,581.20	0.10	\$802.00	\$66,802.00	\$66,802.00
12/15/2016	\$66,000	5.16	\$37,977.60	\$103,977.60	5.06	\$37,241.60	0.10	\$736.00	\$66,736.00	\$66,736.00
12/15/2017	\$67,000	5.16	\$34,572.00	\$101,572.00	5.06	\$33,902.00	0.10	\$670.00	\$67,670.00	\$67,670.00
12/15/2018	\$67,000	5.16	\$31,114.80	\$98,114.80	5.06	\$30,511.80	0.10	\$603.00	\$67,603.00	\$67,603.00
12/15/2019	\$67,000	5.16	\$27,657.60	\$94,657.60	5.06	\$27,121.60	0.10	\$536.00	\$67,536.00	\$67,536.00
12/15/2020	\$67,000	5.16	\$24,200.40	\$91,200.40	5.06	\$23,731.40	0.10	\$469.00	\$67,469.00	\$67,469.00
12/15/2021	\$67,000	5.16	\$20,743.20	\$87,743.20	5.06	\$20,341.20	0.10	\$402.00	\$67,402.00	\$67,402.00
12/15/2022	\$67,000	5.16	\$17,286.00	\$84,286.00	5.06	\$16,951.00	0.10	\$335.00	\$67,335.00	\$67,335.00
12/15/2023	\$67,000	5.16	\$13,828.80	\$80,828.80	5.06	\$13,560.80	0.10	\$268.00	\$67,268.00	\$67,268.00
12/15/2024	\$67,000	5.16	\$10,371.60	\$77,371.60	5.06	\$10,170.60	0.10	\$201.00	\$67,201.00	\$67,201.00
12/15/2025	\$67,000	5.16	\$6,914.40	\$73,914.40	5.06	\$6,780.40	0.10	\$134.00	\$67,134.00	\$67,134.00
12/15/2026	\$67,000	5.16	\$3,457.20	\$70,457.20	5.06	\$3,390.20	0.10	\$67.00	\$67,067.00	\$67,067.00
Total	\$1,000,000		\$411,080.00	\$1,411,080.00		\$403,113.33		\$7,966.67	\$1,007,966.67	\$1,007,966.67

Sources of Funds:

Qualified School Construction Bonds	\$1,000,000
Issuer Contribution	<u>\$10,000</u>
Total Sources	\$1,010,000

Uses of Funds:

Deposit to Construction Fund	\$980,000
Placement Agent- GCSC	\$20,000
Bond Counsel- Andrews Kurth LLP	\$9,000
Attorney General	<u>\$1,000</u>
Total Uses	\$1,010,000

EXHIBIT B

MAINTENANCE TAX SECURED DEBT - TAX RATE TEST

“Compression Percentage Test” (applicable to obligations payable from a school district’s maintenance tax) provided by the Attorney General’s office as of August 21, 2007:

$$[(.20) * (CMT + .04) * (CF) * (TAV/100)] \geq \text{KMDS}$$

CMT = The Compressed Maintenance Tax Rate of the District for the fiscal year ending 8/31/10. This rate is determined by multiplying the District’s 2005-2006 maintenance tax rate times .6667, pursuant to §42.2516(a-1).

.04= If the District elects to include in its maintenance tax levy, the additional four cents permitted by §42.302(a-3)(1).

CF= Collection factor. (Presumed to be 90%).

TAV = District’s taxable assessed valuation.

KMDS = Maximum debt service on all outstanding indebtedness secured by the district’s maintenance tax authority.

$$(.20)*((\$1.3250)(.6667)+(.04))* (.90)*(\$148,760,486) \geq \$114,590$$

$$(.20)*(\$1,487,604)*(.90)*(\$1,487,604) \geq \$114,590$$

$$\$247,249 \geq \$114,590$$

SIGNATURE IDENTIFICATION AND NO-LITIGATION CERTIFICATE

We, the undersigned officers of the Board of Trustees of the May Independent School District (the "District"), acting solely in our official capacities, certify that we executed, by our facsimile signatures, on behalf of said District, the following described notes, hereinafter called the "Notes", to-wit:

MAY INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX QUALIFIED SCHOOL CONSTRUCTION NOTES, TAXABLE SERIES 2012Q (DIRECT PAY TO ISSUER), dated December 1, 2011, in the aggregate principal amount of \$1,000,000.

We further certify as follows:

1. That the Notes have been duly and officially executed by the undersigned with their facsimile signatures in the same manner appearing hereon, and the undersigned hereby adopt and ratify their respective signatures in the manner appearing on each of the Notes as their own signatures.
2. That on the date of such execution and on the date hereof, we were and are the duly chosen, qualified and acting officers of the Board of Trustees authorized to execute the same.
3. That no litigation of any nature is now pending or, to the best of our knowledge, threatened, either in the state or federal courts, contesting or attacking the existence of the District or the Notes or restraining or enjoining the issuance, execution or delivery of the Notes or the collection or pledge of the funds from which the Notes are payable, or in any manner questioning the authority or proceedings for the issuance, execution or delivery of the Notes, or affecting the titles of the present officials of the District, and that no proceedings or authority for the issuance, execution or delivery of the Notes have been repealed, rescinded or revoked.
4. That no litigation of any nature is now pending or, to the best of our knowledge, threatened questioning the District's boundaries or validity in any court of the State of Texas, with any County Board of Education or with the State Commissioner of Education.
5. That the seal which has been impressed, or placed in facsimile, upon the Notes is the legally adopted, proper and only official seal of the District.

We further certify that the information and data contained in the General Certificate dated December 5, 2011 are still true and correct as of this date. You are authorized hereby to date this certificate as of the date of your approval of the Notes.

In witness whereof we have signed this certificate and delivered it on the 6th day of January, 2012.

SIGNATURES

TITLE OF OFFICER

Ada Turner
Ada Turner

President, Board of Trustees

Katy Lord
Katy Lord

Secretary, Board of Trustees

THE STATE OF TEXAS §

COUNTY OF BROWN §

Before me, on the 6th day of December, 2011, personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.



(NOTARY SEAL)

Jill Goodwin
Notary Public
State of Texas

**UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BROWN**

**NUMBER
R-1
REGISTERED**

**PRINCIPAL AMOUNT
\$1,000,000
REGISTERED**

**MAY INDEPENDENT SCHOOL DISTRICT
MAINTENANCE TAX QUALIFIED SCHOOL CONSTRUCTION NOTES
TAXABLE SERIES 2012Q (DIRECT PAY TO ISSUER)**

INTEREST RATE:	ISSUANCE DATE:	MATURITY DATE:	TAX CREDIT RATE:
5.16%	January 6, 2012	December 15, 2026	5.06%

REGISTERED OWNER: SOUTHSIDE BANK
PRINCIPAL AMOUNT: ONE MILLION AND NO/100 DOLLARS

MAY INDEPENDENT SCHOOL DISTRICT (the "District") promises to pay to the Registered Owner identified above, or registered assigns, on the maturity date specified above, upon presentation and surrender of this Note at the principal payment office of BOKF, NA dba Bank of Texas, in Austin, Texas (the "Registrar"), the principal amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Issuance Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for. The date of this Note is December 1, 2011. Interest on this Note is payable on December 15, 2012, and on each December 15 thereafter, by check dated as of the interest payment date and mailed to the Registered Owner of record as of the last business day of the month next preceding each interest payment date, to the address of such owner, as shown on the books of registration kept by the Registrar.

THIS NOTE is one of a duly authorized issue of notes, aggregating \$1,000,000 (the "Notes"), issued for the renovation and equipment of school buildings in the District (including the rehabilitation, expansion and improvement thereof) and to pay for the costs of issuance for the Notes, all pursuant to the Constitution and laws of the State of Texas including section 45.108, Texas Education Code, and a resolution adopted by the Board of Trustees of the District on December 5, 2011 (the "Resolution"), and in accordance with Section 54F of the Code.

THE NOTES ARE NOT subject to optional redemption prior to maturity.

TO THE EXTENT that 100% of the available project proceeds (as defined in Section 54F(e)(4) of the Code) are not expended for purposes set forth in Section 3 of the Resolution by

the close of the 3-year period beginning on the date of delivery of the Notes (or if an extension of such expenditure period has been received by the District from the Secretary of the Treasury, by the close of the extended period), the District shall redeem an amount of Notes equal to such unexpended proceeds (rounded up to the next highest authorized denomination) within 90 days after the end of such period, at a redemption price equal to the principal amount thereof, plus any accrued but unpaid interest on the Notes to the date fixed for redemption, payable from such unexpended proceeds held by the District.

UPON A DETERMINATION of a Loss of Qualified School Construction Bond Status, the Notes are subject to extraordinary redemption prior to their maturity date, at the option of the District, in whole, on the date designated by the District, at a redemption price equal to the greater of (a) the principal amount of the Notes to be redeemed; or (b) the sum of the present value of (i) the remaining scheduled payments of principal and interest, not including any portion of those payments of interest accrued and unpaid as of the date on which the Notes are to be redeemed, discounted to the date on which the Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus accrued and unpaid interest on the Notes to be redeemed to the redemption date, and (ii) the present value of the remaining principal discounted to the date on which the Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points.

THE TERM “Qualified Purpose” means the construction, rehabilitation, or repair of a public school facility or the acquisition of land on which such a facility is to be constructed with part of the proceeds of the Notes.

THE TERM “Available Project Proceeds” means proceeds from the sale of the Notes, less costs of issuance not to exceed 2% of such proceeds, plus investment earnings on the proceeds of such Notes pending their expenditure.

THE TERM “Date of Loss of Qualified School Construction Bond Status” means the date specified in a Determination of a Loss of Qualified School Construction Bond Status as the date from and after which the Notes lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status (defined below), which date could be as early as the date of issuance of the Notes.

THE TERM “Date of Loss of Qualified School Construction Bond Status” means (a) a final determination by the IRS (after the District has exhausted all administrative appeal remedies and has determined not to pursue any remedies in a court of competent jurisdiction) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status, or (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred.

THE TERM “Accountable Event of Loss of Qualified School Construction Bond Status” means (a) any act or any failure to act on the part of the District, which act or failure to act is a breach of a covenant or agreement of the District contained in the Resolution, the Paying Agent Agreement, or the Notes and which act or failure to act causes the Notes to lose their status, or

fail to qualify, as Qualified School Construction Bonds, (b) the making by the District of any representation contained in the Resolution, the Paying Agent Agreement, the Federal Tax Certificate, or the Notes, which representation was untrue when made and the untruth of which representation at such time causes the Notes to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

NOTICE OF ANY REDEMPTION shall be given by the Registrar at least thirty (30) days prior to the date fixed for redemption by first class mail, addressed to the registered owner of each Note to be redeemed in whole or in part at the address shown on the books of registration kept by the Registrar. When Notes or portions thereof have been called for redemption, and due provision has been made to redeem the same, the principal amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Notes or portions thereof called for redemption shall terminate on the date fixed for redemption.

THIS NOTE IS TRANSFERABLE only upon presentation and surrender at the principal corporate trust office of the Registrar in Dallas, Texas, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Resolution.

THIS NOTE IS EXCHANGEABLE at the principal corporate trust office of the Registrar in Dallas, Texas, for Notes in the denomination of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Resolution.

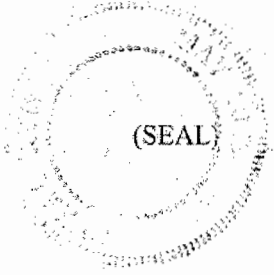
THIS NOTE shall not be valid or obligatory for any purpose or be entitled to any benefit under the Resolution unless this Note is either (i) registered by the Comptroller of Public Accounts of the State of Texas by due execution of the registration certificate attached or affixed hereto or (ii) authenticated by the Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Note, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Resolution.

THE DISTRICT has covenanted in the Resolution that it will at all times provide a legally qualified registrar for the Notes and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Note has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Note have been performed, exist and have been done in accordance with law; that the Notes do not exceed any constitutional or statutory limitation; and that annual ad valorem maintenance taxes, within the limits prescribed by law, sufficient to provide for the payment of the interest on and principal of this Note, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this Note has been signed with the manual or facsimile signature of the President or the Vice President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this Note.



MAY INDEPENDENT SCHOOL DISTRICT

Alb. Turner
President, Board of Trustees

H. Howard
Secretary, Board of Trustees

AUTHENTICATION CERTIFICATE

It is hereby certified that this Note has been delivered pursuant to the Resolution described in the text of this Note.

BOKF, NA dba Bank of Texas,
as Paying Agent/Registrar

By: _____

Authorized Signature

Date of Authentication _____

ASSIGNMENT

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

(Please print or type name, address and zip code of Transferee)

(Please insert Social Security or Taxpayer Identification Number of Transferee)

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

DATED: _____

Signature Guaranteed:

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

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this Note in every particular, without any alteration, enlargement or change whatsoever.

PURCHASE AGREEMENT

December 5, 2011

Board of Trustees
May Independent School District
3400 CR 411 E
May, Texas 76857

Re: \$1,000,000 May Independent School District Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Pay to Issuer)

Ladies and Gentlemen:

Southside Bank (the "Purchaser"), hereby offers to purchase from the May Independent School District (the "District") the captioned obligations (the "Notes") and, upon acceptance of this offer by the District, such offer will become a binding agreement between the Purchaser and the District (the "Purchase Agreement"). This offer must be accepted by 10:00 p.m., May, Texas time, December 5, 2011, and if not so accepted will be subject to withdrawal.

1. Purchase Price: The purchase price for the Notes is par, \$1,000,000.
2. Terms of Notes: The Notes shall be issued in principal amounts, shall bear interest at such rates, mature on such dates and in such amounts, and have such other terms and conditions as are set forth in the Resolution (the "Resolution") to be adopted by the Board of Trustees of the District on December 5, 2011, unsigned copies of which have been provided to the Purchaser. Pursuant to and as more fully described in the Resolution, the Notes shall be secured by a pledge of maintenance taxes, to be levied on all taxable property within the District, within the limits prescribed by law.
3. Closing: The District shall deliver the Initial Note to, or for the account of, the Purchaser and the Purchaser shall purchase the Notes, on January 6, 2012, or at such other time as shall be mutually agreed upon (hereinafter referred to as the "Closing"). The Closing shall take place at the offices of Andrews Kurth LLP, Houston, Texas, or such other location as may be mutually agreed upon. The District will also deliver a signed, certified copy of the Resolution to the Purchaser.
4. Conditions to Closing: The Purchaser shall not have any obligation to consummate the purchase of the Notes unless the Purchaser shall have received satisfactory evidence that the following requirements have been satisfied prior to Closing:
 - (a) The District shall have adopted the Resolution authorizing the issuance of the Notes.
 - (b) The Purchaser and the District shall have executed this Purchase Agreement.

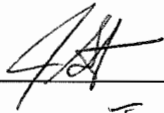
- (c) Andrews Kurth LLP, Bond Counsel, shall have issued its legal opinion as to the due authorization, issuance and delivery of the Notes, upon which the Purchaser shall be entitled to rely.
 - (d) The Notes shall have been approved by the Attorney General of the State of Texas and shall have been registered by the Comptroller of Public Accounts of the State of Texas.
 - (e) An authorized representative of the District shall have executed a certificate that except to the extent disclosed in writing to the Purchaser, no litigation is pending or, to the knowledge of such person, threatened in any court to restrain or enjoin the issuance or delivery of the Notes, or in any way contesting or affecting the validity or security of the Notes, the Resolution, or this Purchase Agreement, or contesting the powers of the District or contesting the authorization of the Notes or the Resolution.
 - (f) Nothing shall have occurred prior to Closing which in the reasonable opinion of the Purchaser has had or could have a materially adverse affect on the District's operations, property or financial condition.
5. Nature of Purchase: The Purchaser acknowledges that no official statement or other disclosure or offering document has been prepared in connection with the issuance and sale of the Notes. The Purchaser is a financial institution or other accredited investor as defined in the Securities Act of 1933, Regulation D, 17 C.F.R. §230.501(a), accustomed to purchasing obligations such as the Notes. Andrews Kurth LLP, Bond Counsel, has not undertaken steps to ascertain the accuracy or completeness of information furnished to the Purchaser with respect to the District or the Notes, and the Purchaser has not looked to that firm for, nor has that firm made, any representations to the Purchaser with respect to that information. The Notes (i) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state; (ii) will not be listed on any stock or other securities exchange; and (iii) will not carry any rating from any rating service. The Purchaser is familiar with the financial condition and affairs of the District, particularly with respect to its ability to pay its tax supported obligations such as the Notes. The Purchaser has received from the District all information that it has requested in Resolution for it to assess and evaluate the security and source of payment for the Notes. The Purchaser is purchasing the Notes for its own account or for that of an affiliate as evidence of a loan to the District and has no present intention to make a public distribution or sale of the Notes; provided, however, that the Purchaser reserves the right to sell, pledge, transfer, convey, hypothecate, or otherwise dispose of the Notes at some future date. In the event that the Purchaser elects to sell the Notes, such sale shall be effected in accordance with applicable securities law, including any requirement that an official statement or other disclosure document be prepared with respect to such sale of the Notes.
6. Reporting: The District shall deliver the Purchaser its consolidated audited financial statements within 180 days of each fiscal year end.
7. No Oral Agreements: To the extent allowed by law, the parties hereto agree to be bound by the terms of the following notice: THIS PURCHASE AGREEMENT, THE RESOLUTION OF THE DISTRICT AUTHORIZING THE NOTES, THE ATTORNEY GENERAL OPINION, THE OPINION OF BOND COUNSEL AND THE NOTES TOGETHER REPRESENT THE FINAL AGREEMENT BETWEEN THE PARTIES REGARDING THIS TRANSACTION AND MAY

NOT BE CONTRADICTED BY EVIDENCE OF PRIOR, CONTEMPORANEOUS, OR
SUBSEQUENT ORAL AGREEMENTS OF THE PARTIES. THERE ARE NO UNWRITTEN
ORAL AGREEMENTS BETWEEN THE PARTIES RELATING TO THIS TRANSACTION.

[Signatures begin on next page]

If this Purchase Agreement meets with the Purchaser's and the District's approval, please execute it in the place provided below.

SOUTHSIDE BANK

By: 
Printed Name: Jeryl Story
Title: Senior EVP

ACCEPTED AND AGREED TO BY:

MAY INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

[SIGNATURE PAGE TO PURCHASE AGREEMENT]

If this Purchase Agreement meets with the Purchaser's and the District's approval, please execute it in the place provided below.

SOUTHSIDE BANK

By: _____

Printed Name: _____

Title: _____

ACCEPTED AND AGREED TO BY:

MAY INDEPENDENT SCHOOL DISTRICT

By:  _____
President, Board of Trustees

[SIGNATURE PAGE TO PURCHASE AGREEMENT]

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT (this "Agreement"), is entered into as of December 5, 2011, by and between May Independent School District (the "Issuer"), and BOKF, NA dba Bank of Texas (the "Bank").

RECITALS OF THE ISSUER

The Issuer has duly authorized and provided for the issuance of its notes, entitled "May Independent School District Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Pay to Issuer)" (the "Notes") in an aggregate principal amount of \$1,000,000 to be issued as fully registered notes;

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

The Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent to pay the principal, redemption premium (if any) and interest on the Notes, in accordance with the terms thereof, and under which the Bank will act as Registrar for the Notes;

The Issuer and the Bank have duly authorized the execution and delivery of this Agreement; and all things necessary to make this Agreement the valid agreement of the parties, 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 Notes, to pay to the Registered Owners of the Notes in accordance with the terms and provisions of this Agreement and the Resolution, the principal of, redemption premium (if any), and interest, on all or any of the Notes.

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

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

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees set forth in the Bank's fee schedule attached as Annex A

hereto. The Bank reserves the right to amend the fee schedule at any time, provided the Bank shall have furnished the Issuer with a written copy of such amended fee schedule at least 75 days prior to the date that the new fees are to become effective.

If the Bank renders any service hereunder not provided for in this Agreement, or the Bank is made a party to or intervenes in any litigation pertaining to this Indenture or institutes interpleader proceedings relative hereto, the Bank shall be compensated reasonably by the Issuer for such extraordinary services and reimbursed for any and all claims, liabilities, losses, damages, fines, penalties, and expenses, including out-of-pocket and incidental expenses and legal fees and expenses occasioned thereby.

ARTICLE TWO DEFINITIONS

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank” means BOKF, NA dba Bank of Texas, a national banking association duly organized and existing under the laws of the United States of America.

“Note” or “Notes” means any one or all of the “\$1,000,000 May Independent School District Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Pay to Issuer).”

“Issuer” means the May Independent School District.

“Paying Agent” means the Bank when it is performing the function of paying agent.

“Person” means any individual, corporation, partnership, joint venture, associations, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government or any entity whatsoever.

“Registrar” means the Bank when it is performing the function of registrar.

“Resolution” means the order of the Issuer approved December 5, 2011, pursuant to which the Notes are issued.

All other capitalized terms shall have the meanings assigned in the Resolution.

ARTICLE THREE
DUTIES OF THE BANK

Section 3.01. Initial Delivery of Notes.

The Notes will be initially registered and delivered to the purchaser designated by the Issuer as set forth in the Resolution. If such purchaser delivers a written request to the Bank not later than five business days prior to the date of initial delivery, the Bank will, on the date of initial delivery, exchange the Notes initially delivered for Notes of authorized denominations, registered in accordance with the instructions in such request and the Resolution.

Section 3.02. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate 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, redemption premium, if any, and interest, on each Note in accordance with the provisions of the Resolution.

Section 3.03. Duties of Bank.

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

The Bank is authorized to receive the purchase price of and, if applicable, accrued interest on the Notes from the underwriter of the Notes and to transfer said funds relating to the closing and initial delivery of the Notes in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile or electronic mail transmission of the closing memorandum acknowledged by the Issuer or the Issuer's financial advisor as the final closing memorandum to be followed by an original of the closing memorandum signed by the financial advisor or the Issuer. 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 3.04. Duties of Registrar.

The Bank shall provide for the proper registration of the Notes and the exchange, replacement and registration of transfer of the Notes, in accordance with the provisions of the Resolution. The Bank will maintain the books of registration in accordance with the Bank's general practices and procedures in effect from time to time.

Section 3.05. Unauthenticated Notes.

The Issuer shall provide an adequate inventory of unauthenticated Notes to facilitate transfers. The Bank covenants that it will maintain such unauthenticated Notes in safekeeping and will use reasonable care in maintaining such Notes in safekeeping, which shall be not less than the care it maintains for debt securities of other government entities or corporations for which it serves as registrar, or which it maintains for its own notes.

Section 3.06. Reports.

The Bank will provide the Issuer reports upon request, which reports will describe in reasonable detail all transactions pertaining to the Notes and the books of registration. The Issuer may also inspect and make copies of the information in the books of registration 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 books of registration 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 otherwise required by law. Upon receipt of a subpoena, court order or other lawful request, the Bank will notify the Issuer immediately so that the Issuer may contest the subpoena, court order or other request.

Section 3.07. Cancelled Notes.

All Notes surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the Issuer, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The Issuer may at any time deliver to the Bank for cancellation any Notes previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly cancelled by the Bank. All cancelled Notes held by the Bank shall be destroyed and evidence of such destruction furnished to the Issuer.

Section 3.08. 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 by the Issuer.

(b) The Bank shall not be liable to the Issuer for actions taken under this Agreement so long as it acts in good faith and exercises due diligence, reasonableness and care, as prescribed by law, with regard to its duties hereunder.

(c) This Agreement is not intended to require the Bank to expend its own funds for performance of any of its duties hereunder.

(d) The Bank may rely and shall be protected by the Issuer against any claim by the Issuer or any other Person 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 Note, but is protected in acting upon receipt of a Note 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 acts or matters stated in a resolution, certificate,

statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by Issuer.

(e) The Bank may consult with legal counsel, and the written advice of such counsel or any opinion 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; provided that any such written advice or opinion is supplied to the Issuer by the Bank.

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

Section 3.09. Money Held by Bank.

The Bank shall hold the Debt Service Fund for the Notes and receive annual transfers from the District into such fund, all in accordance with the Provisions of the Order. Money held by the Bank hereunder shall be held in trust for the benefit of the Registered Owners of the Notes and shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for fiduciary accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

The Bank shall be under no obligation to pay interest on any money received by it hereunder.

All money deposited with the Bank hereunder shall be secured in the manner and to the fullest extent required by law for the security of funds of the Issuer.

Any money deposited with the Bank for the payment of the principal, redemption premium (if any) or interest on any Note and remaining unclaimed by the Registered Owner after the expiration of three years from the date such funds have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended. The Bank shall have not liability to the Registered Owners of the Notes by virtue of actions taken in compliance with the foregoing provision.

Section 3.10. Indemnification.

To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability or expense incurred by the Bank without negligence or bad faith on the Bank's part, arising out of or in connection with its acceptance or administration of the Bank's duties hereunder, including the cost and expense (including the Bank's counsel fees) of defending against any claim or liability in connection with the exercise or performance of any of the Bank's powers or duties under this Agreement.

Section 3.11. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand or controversy over its person as well as funds on deposits, in any Federal or State Court located in the State and County where the administrative offices of the Issuer is located, and agree that service of process by registered mail, return receipt requested, to the address referred to in Section 4.04 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 3.12. Cost of Issuance Fund.

At the written request of the Issuer, proceeds from the sale of the Notes may be deposited to the credit of the Cost of Issuance Fund. Such moneys as are deposited shall be held by the Paying Agent and shall be invested at the written direction of the Issuer in a mutual fund which invests in United States Treasury Obligations. The Paying Agent shall not be liable or responsible for any loss resulting from any such investment. Withdrawals from the Cost of Issuance Fund shall be made by the Paying Agent upon written direction of an authorized officer of the Issuer. All funds remaining thirty days after the initial deposit shall be applied as provided in the Resolution.

Section 3.13. Merger, Conversion, Consolidation or Succession.

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 Note 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 Note so registered with the same effect as if such successor Bank had itself registered such Note.

Section 3.14. Direct Subsidy Account.

The Bank hereby establishes for the sole benefit of the Issuer, an account (the "Direct Subsidy Account") as follows:

BOKF, NA, dba Bank of Texas
May Independent School District Maintenance Tax Qualified School Construction Notes,
Taxable Series 2012Q (Direct Payment to Issuer)
Account Number: _____
ABA Routing Number: 103900036
Attn: Mr. Jose Gaytan at (512) 279-7450

It is anticipated that the tax credit will be paid by the Department of the Treasury by a wire transfer, or other electronic transfer, of the tax credit to the Bank for immediate deposit into the Direct Subsidy Account.

ARTICLE FOUR MISCELLANEOUS PROVISIONS

Section 4.01. May Own Notes.

The Bank, in its individual or any other capacity, may become the owner or pledgee of Notes with the same rights it would have if it were not the Paying Agent and Registrar for the Notes.

Section 4.02. Amendment.

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

Section 4.03. Assignment.

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

Section 4.04. 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 herein, or such other address as may have been given by one party to the other by 15 days written notice.

Section 4.05. Effect of Headings.

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

Section 4.06. Successors and Assigns.

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

Section 4.07. Severability.

If any provision of this Agreement shall be invalid or unenforceable, the validity and enforceability of the remaining provisions hereof shall not in any way be affected or impaired.

Section 4.08. 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 4.09. Resolution Governs Conflicts.

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

Section 4.10. Term and Termination.

This Agreement will terminate on the date of the final payment by the Bank issuing its checks for the final payment of principal and interest on the Notes.

This Agreement shall be effective from and after its date and may be terminated for any reason by the Issuer or the Bank at any time upon 30 days written notice; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties of the Bank hereunder. If a successor Paying Agent/Registrar has not been appointed within 45 days of such resignation or termination, then the Bank, at Issuer's expense, may petition a court of competent jurisdiction to appoint a successor Paying Agent/Registrar. In the event of early termination regardless of circumstances, the Bank shall deliver to the Issuer or its designee all funds, Notes and all books and records pertaining to the Bank's role as Paying Agent and Registrar with respect to the Notes, including, but not limited to, the books of registration.

Section 4.11. Governing Law.

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

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

MAY INDEPENDENT SCHOOL
DISTRICT

By 
President, Board of Trustees

Address: 3400 CR 411 E
May, Texas 76857

ATTEST:


Secretary, Board of Trustees

BOKF, NA DBA BANK OF TEXAS

By _____
Title: _____

Address: 111 Congress, Suite 400
Austin, Texas 78701
Attention: Jose A. Gaytan, Jr.

MAY INDEPENDENT SCHOOL
DISTRICT

By _____
President, Board of Trustees

Address: 3400 CR 411 E
May, Texas 76857

ATTEST:

Secretary, Board of Trustees

BOKF, NA DBA BANK OF TEXAS

By  _____
Title: JOSE A GAYTAN JR.
VICE PRESIDENT

Address: 111 Congress, Suite 400
Austin, Texas 78701
Attention: Jose A. Gaytan, Jr.

ANNEX A

Fees

See attached



**May Independent School District
Tax Qualified School Construction Notes,
Taxable Series 2012 Q (Direct-Pay)**

**PAYING AGENT/REGISTRAR/TRUST ACCOUNT and
TAX REPORTING AGENT**

Schedule of Fees

<u>Acceptance Fee:</u>	\$ 0
<u>Annual Paying Agent Administration Fee:</u>	\$500.00
<u>Annual Filing Fee:</u>	\$250.00

For ordinary administration services by Paying Agent/Registrar/Trust Account & Tax Reporting Agent – includes daily routine account management; investment transactions; cash transaction processing in accordance with the agreement; and mailing of trust account statements to all applicable parties. As Tax Reporting Agent the Bank shall assist the District with the IRS form 8038 prior to each payment date.

This fee is payable in advance, due at the time of initial settlement. Float credit received by the bank for receiving funds that remain uninvested are deemed part of the Paying Agent's compensation.

Fee is based on the following assumptions:

- **Number of Trust Accounts to be established: One (1)**
- **Number of Deposits to the Trust Accounts: As required**
- **Number of Withdrawals from the Trust Accounts: At Payment Date**
- **Funds will be invested in Cavanal Hill Money Market Funds***

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 based on a mutually agreed upon fee schedule. Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

**If Funds are invested outside the Cavanal Hill Money Market Funds, an additional fee may be assessed for each trade or purchase of securities up to \$1000 per year for each Trust Account.*

Jose Gaytan
Vice President
Tel: 512.279.7850
Fax: 512.279.7853
JGaytan@bankoftexas.com

Bank of Texas
Corporate Trust Services
111 Congress Avenue
Suite 400
Austin, TX 78701

December 22, 2011

January 6, 2012

WE HAVE ACTED as Bond Counsel for the May Independent School District (the "District") in connection with an issue of maintenance tax notes (the "Notes") described as follows:

MAY INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX
QUALIFIED SCHOOL CONSTRUCTION NOTES TAXABLE SERIES 2012Q
(DIRECT PAY TO ISSUER) in the aggregate principal amount of \$1,000,000.

WE HAVE ACTED as Bond Counsel for the sole purpose of rendering an opinion with respect to the legality and validity of the Notes under the Constitution and laws of the State of Texas. In such capacity we have examined the Constitution and laws of the State of Texas and a transcript of certain certified proceedings pertaining to the issuance of the Notes, as described in the Resolution and the Notes. The transcript contains certified copies of certain proceedings of the District; certain certifications and representations and other material facts within the knowledge and control of the District, upon which we rely; and certain other customary documents and instruments authorizing and relating to the issuance of the Notes. We have also examined executed Note No. R-1 of this issue.

WE HAVE NOT BEEN REQUESTED to examine, and have not investigated or verified, any original proceedings, records, data or other material, but have relied upon the transcript of certified proceedings. We have not assumed any responsibility with respect to the financial condition or capabilities of the District or the disclosure thereof in connection with the sale of the Notes.

BASED ON SUCH EXAMINATION, it is our opinion as follows:

- (1) The transcript of certified proceedings evidences complete legal authority for the issuance of the Notes in full compliance with the Constitution and laws of the State of Texas presently in effect; the Notes constitute valid and legally binding obligations of the District enforceable in accordance with the terms and conditions thereof, except to the extent that the rights and remedies of the owners of the Notes may be limited by laws heretofore or hereafter enacted relating to bankruptcy, insolvency, reorganization, moratorium or other similar laws affecting the rights of creditors of political subdivisions and the exercise of judicial discretion in appropriate cases; and the Notes have been authorized and delivered in accordance with law; and
- (2) The Notes are payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, within the limits prescribed by law, upon taxable

property located within the District, which taxes have been pledged irrevocably to pay the principal of and interest on the Notes.

WE CALL TO YOUR ATTENTION that the District has designated the Notes as “qualified school construction bonds” under Section 54F of the Internal Revenue Code of 1986, as amended (the “Code”), and the District has made an irrevocable election to treat the Notes as “specified tax credit bonds” within the meaning of Section 6431(f)(3)(B) of the Code. We have relied upon the District’s representation that it has complied with all requirements of the Code with respect to the qualification and designation of the Notes as qualified school construction bonds and election to treat such Notes as specified tax credit bonds. We express no opinion as to any federal, state or local tax consequences resulting from such designation or election of the Notes, nor on the or acquisition, ownership or disposition of, the Notes. Prospective purchasers should consult their tax advisors with respect to such matters.

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; 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.

IRS CIRCULAR 230 DISCLOSURE:

TO ENSURE COMPLIANCE WITH REQUIREMENTS IMPOSED BY THE IRS, WE INFORM YOU THAT ANY U.S. FEDERAL TAX ADVICE CONTAINED IN THIS COMMUNICATION (INCLUDING ANY ATTACHMENTS) IS NOT INTENDED OR WRITTEN TO BE USED, AND CANNOT BE USED, FOR THE PURPOSE OF (I) AVOIDING PENALTIES UNDER THE INTERNAL REVENUE CODE OR (II) PROMOTING, MARKETING OR RECOMMENDING TO ANOTHER PARTY ANY TRANSACTION OR TAX-RELATED MATTERS.

Handwritten signature and initials "KHK LLP" in black ink.



ATTORNEY GENERAL OF TEXAS
GREG ABBOTT

January 5, 2012

EFK

THIS IS TO CERTIFY that May Independent School District (the "Issuer") has submitted to me May Independent School District Maintenance Tax Qualified School Construction Note, Taxable Series 2012Q (Direct Pay to Issuer) (the "Note") in the principal amount of \$1,000,000 for approval. The Note is dated December 1, 2011, numbered I-1, and was authorized by a Resolution of the Issuer passed on December 5, 2011.

I have examined the law and such certified proceedings and other papers as I deem necessary to render this opinion.

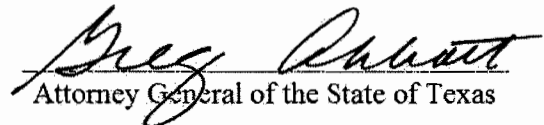
As to questions of fact material to my opinion, I have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

I express no opinion relating to any official statement or any other offering material relating to the Note.

Based on my examination, I am of the opinion, as of the date hereof and under existing law, as follows:

- (1) The Note has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Note is payable from the proceeds of an annual ad valorem maintenance tax levied, within the limits prescribed by law, against all taxable property in the Issuer.

Therefore, the Note is approved.


Attorney General of the State of Texas

No. 53153
Book No. 2012-A
MA

OFFICE OF COMPTROLLER

OF THE STATE OF TEXAS

I, Susan Combs, 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:

May Independent School District Maintenance Tax Qualified School Construction Note, Taxable Series 2012Q (Direct Pay to Issuer)

numbered I-1, of the denomination of \$ 1,000.000, dated December 1, 2011, as authorized by issuer, interest 5.16 percent, under and by authority of which said note was registered in the office of the Comptroller, on the 5th day of January 2012, under Registration Number 79530.

Given under my hand and seal of office, at Austin, Texas, the 5th day of January 2012.



SUSAN COMBS
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

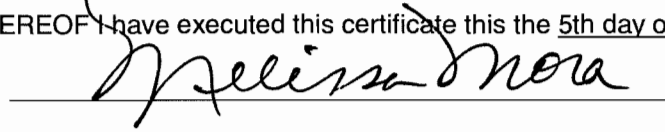
I, Melissa Mora, Bond Clerk Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 5th day of January 2012, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

May Independent School District Maintenance Tax Qualified School Construction Note, Taxable Series 2012Q (Direct Pay to Issuer),

numbered I-1, dated December 1, 2011, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 5th day of January 2012.



I, Susan Combs, 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 described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 79530.

GIVEN under my hand and seal of office at Austin, Texas, this the 5th day of January 2012.



SUSAN COMBS
Comptroller of Public Accounts
of the State of Texas

FEDERAL TAX CERTIFICATE

MAY INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTE, TAXABLE SERIES 2012Q

I, the undersigned officer of May Independent School District of Brown County, a political subdivision of the State of Texas (together with any successor to its duties and functions, the "District"), make this certification for the benefit of all persons interested in the treatment for federal income tax purposes of the ownership of the District's Maintenance Tax Note, Taxable Series 2012Q, in the aggregate principal amount of \$1,000,000 (the "Note"), which is being issued and delivered simultaneously with the delivery of this certificate (together with the Exhibits hereto, the "Certificate").

1. General. I am the duly chosen, qualified and acting officer of the District for the office shown below my signature. In such capacity, I am charged, along with others, with responsibility for issuing the Note. I am familiar with the facts, estimates and expectations certified herein, and I am duly authorized to execute and deliver this Certificate on behalf of the District. I am familiar with the provisions of the resolution approved by the Board of Trustees of the District on December 5, 2011 (the "Resolution"). I am aware of the provisions of Sections 54A, 54F and 148 of the Internal Revenue Code of 1986, as amended (the "Code", the Treasury Regulations promulgated thereunder (the "Regulations") and related notices and announcements by the Internal Revenue Service. This Certificate is being executed and delivered pursuant to the relevant provisions of the Code and the Regulations. Certain terms used herein have the same meanings as given to those terms in the Code and the Regulations. Capitalized terms used in this Certificate (unless otherwise indicated herein) shall have the meanings given to them in the Resolution.

2. Reasonable Expectations. As an officer of the District responsible for issuing the Note, the undersigned hereby certifies, in good faith, that the District's expectations, as of the date hereof and such other dates as specified herein, regarding the amount and use of the gross proceeds of the Note and other matters relevant to the treatment of the Note for federal income tax purposes are accurately and completely stated herein, that all of such expectations are reasonable and are based on the facts and estimates stated in this Certificate, that all of the facts and estimates stated in this Certificate are accurate, and that there are no other facts, estimates or circumstances which would indicate that any of the expectations stated herein are not reasonable. The undersigned has relied on certain representations made by the purchaser of the Note, Southside Bank, Tyler, Texas (the "Purchaser") in the Certificate of Purchaser, Exhibit A hereto, and Government Capital Securities Corporation, the financial advisor to the District in connection with the sale of the Note (the "Financial Advisor") in the Certificate of Financial Advisor, Exhibit B hereto. The undersigned is aware of no facts, estimates or circumstances which would indicate that any expectations stated herein are not reasonable.

3. Description of Governmental Purpose of the Note. The District is issuing the Note to provide funds, which will be used (i) for construction of school facilities located in the District, including the construction of a new competition gym, new primary school classrooms and facility renovations including energy efficiency upgrades (collectively, the "Project"), as

described in the Resolution and the QSCB Application (as defined below), and (ii) to pay the costs of issuing the Note.

4. Qualified School Construction Bond Requirements.

(a) **Designation as “Qualified School Construction Bond.”** The District has designated, and hereby designates and elects to treat, the Note as a “qualified school construction bond” within the meaning of Section 54F(a)(3) of the Code.

(b) **Section 6431 Election.** The District irrevocably elects to treat the Note as a “specified tax credit bond” and receive direct payments of the credit (individually, the “Federal Subsidy”) as permitted by Section 6431(f) of the Code with respect to interest paid on the Note.

(c) **Available Project Proceeds.** One hundred percent of the “Available Project Proceeds” of the Note (as defined in Section 54A(e)(4) of the Code), including investment earnings, will be used for one or more “qualified purposes,” as defined in Section 54F of the Code.

(d) **Costs of Issuance.** The costs of issuance incurred by the District in connection with the issuance of the Note to be paid with proceeds from the sale of the Note do not exceed two percent of such proceeds.

(e) **Approval by the Texas Education Agency.** The District received the final approval by the TEA that the Note meet the TEA’s eligibility requirements for Qualified School Construction Bond, and the notification by the TEA of an allocation of the national qualified school construction bond volume cap authority in the total amount of \$4,600,000, as stated in the TEA’s letter dated June 24, 2010 and as extended in the TEA’s letter dated July 3, 2011, attached hereto as Exhibit C and incorporated herein by reference.

(f) **Qualified Purposes.** One hundred percent of the Available Project Proceeds of the Note will be used to construct, rehabilitate and repair school buildings located within the jurisdiction of the District, as described in the Resolution and in the District’s Application to the Texas Education Agency (“TEA”) for the QSCB allocation (the “QSCB Application”), a copy of which is attached hereto as Exhibit D. Equipment, if any, financed with proceeds of the Note will be used in such portion or portions of the public school facility, the construction, renovation or repair of which is also financed with proceeds of the Note. Any land financed with proceeds of the Note will be used as the site for the public school facility also financed with the proceeds of the Note.

(g) **Credit Rate.** The credit rate permitted qualified school construction bonds is published at the Bureau of Public Debt’s web site at <http://www.treasurydirect.gov>. The credit rate permitted with respect to the Note, as published by the Bureau of Public Debt on December 5, 2011, is 5.06 percent. Attached as Exhibit E is a copy of information from the website of the Bureau of Public Debt for December 5, 2011 (the “Sale Date”).

(h) Davis Bacon Act. The District understands that the provisions of the Davis Bacon Act, Subchapter IV of Chapter 31 of Title 40 of the United States Code and related Act and regulations thereunder (the “Davis Bacon Act”), regarding the payment of prevailing wages to laborers and mechanics employed in connection with the Project apply to the Project financed, in whole or in part, with proceeds of the Note. The District will comply with, and take all steps necessary to assure that its contractors performing work on the Project, will comply with all requirements of the Davis Bacon Act with respect to the Project financed with proceeds of the Note.

(i) Maximum Term. The maximum term permitted qualified school construction bonds is calculated by the Bureau of Public Debt and published at <http://www.treasurydirect.gov>, the Bureau of Public Debt’s web site. The maximum term with respect to the Note, as published by the Bureau of Public Debt on December 5, 2011 and set forth in the Exhibit E, is 19 years. No maturity of the Note has a maximum term exceeding 19 years.

(j) IRS Form 8038-TC. Attached hereto as Exhibit F is a copy of the IRS Form 8038-TC required to be filed with the Internal Revenue Service in connection with the issuance of the Note. I, the undersigned officer of the District, have reviewed the IRS Form 8038-TC, attached as Exhibit F, and to the best of my knowledge, the information included in the attached IRS Form 8038-TC is true, accurate and complete. The District will timely file, or cause to be timely filed, the Form 8038-TC.

(k) Permitted Invested Sinking Fund. The District may create a debt service fund (the “Debt Service Fund”) to be used to pay the debt service on the Note. The District does not intend currently to create an Debt Service Fund to pay debt service on the Note. However, if the District determines that an Debt Service Fund is necessary, it will fund such Debt Service Fund no more rapidly than in equal annual installments, will fund and invest the Debt Service Fund in a manner expected to result in an amount no greater than an amount necessary to repay the Note at maturity, and will invest the Debt Service Fund at a yield no greater than the Permitted Sinking Fund Yield, as published on the Bureau of Public Debt’s website (<https://www.treasurydirect.gov>) on December 5, 2011, as 3.87 percent. See Exhibit E hereto.

(l) Conflict of Interest. All applicable State and local law requirements governing conflicts of interest have been satisfied. Attached as Exhibit G hereto is a copy of the Certificate Regarding Conflicts of Interest signed by the District stating that no conflicts of interest exist with respect to the issuance of the Note.

5. Sale of the Note. The Note was privately placed with the Purchaser, which purchased the Note for \$1,000,000.00, the principal amount of the Note.

6. Amount and Use of Proceeds of the Note. The sale proceeds from the sale of the Note equal to \$1,000,000.00 will be expended and applied by the District as follows:

(a) The amount of \$980,000.00 will be used to pay the costs of the Project.

(b) The amount of \$20,000.00 will be used to pay costs of issuing of the Note which amount does not exceed two percent of the proceeds from the sale of the Note.

7. Investment of the Proceeds of the Note. The District may invest the Available Project Proceeds of the Note at an unrestricted yield for the three-year expenditure period, as permitted in Section 54A of the Code. The District has estimated the total amount of investment proceeds to be received with respect to the investment of proceeds of the Note prior to expenditure to be approximately \$3,028.20. The District will use such earnings in addition to the proceeds of the Note to pay costs of the Project. The District expects that 100 percent of the Available Project Proceeds, plus investment earnings, will be expended within three years from the date hereof to pay costs of the Project.

8. Expenditure and Redemption Requirements. The District expects to meet the following requirements, as of the date hereof: 100 percent of the Available Project Proceeds of the Note will be spent for one or more qualified purposes of the Project within the 3-year period beginning on the date hereof; a binding commitment with a third party to spend at least 10 percent of the Available Project Proceeds will be incurred within the 6-month period beginning on the date hereof; and to the extent one hundred percent of the Available Project Proceeds of the Note is not spent for qualified purposes within three years from the date hereof (including any extensions received from the Secretary of Treasury) (the "Expenditure Period"), the District will use all unspent proceeds of the Note as of such date to redeem all nonqualified maturities of the Note within 90 days of such date (including any extensions described above pursuant to Section 59(A)(d)(2)(B) of the Code).

9. Debt Service Fund. Pursuant to the Note, the District created the Series 2012Q Payment Fund (the "Debt Service Fund") to be used primarily to achieve a proper matching of revenues and debt service on the Note within each bond year. The District expects that the taxes levied, assessed and collected each year, and amounts received from investment of moneys held in the Debt Service Fund, will be sufficient to pay any debt service each year on the Note. The District will adjust the annual tax rates as necessary, taking into account other moneys available or to be available for the payment of debt service on the Note. The portion of the Debt Service Fund which will be depleted by the payment of debt service on the Note at least once each bond year. The District currently does not intend to create a Permitted Invested Sinking Fund (as described in paragraph 4(k) above); however, if in the future the District creates such a fund, it will fund, invest and expend such reserve fund as described in paragraph 4(k) above.

10. No Other Sinking Funds. Other than the Debt Service Fund (as defined above), there are no other funds or accounts comprised of investment property established by and on behalf of the District (a) which are expected to be used, or expected to generate earnings to be used, to pay debt service on the Note, or which are reserved or pledged as collateral for payment of debt service on the Note and (b) for which there is reasonable assurance that amounts therein will be available to pay debt service on the Note if the District encounters financial difficulties. Use of amounts in the Debt Service Fund is described above. There is no other fund established, or to be created or established, which would be treated as a sinking fund with respect to the Note.

11. Replacement Proceeds. Other than the Debt Service Fund, there are no amounts on hand, and there are no amounts expected to be received, other than amounts identified herein as proceeds of the Note and amounts to be held in the Debt Service Fund for the payment of debt

service on the Note which have or will have at any time a sufficiently direct nexus to the Note or to any governmental purpose of the Note to conclude that such amounts would have been used for that governmental purpose if the proceeds of the Note were not used or to be used for that governmental purpose. More specifically --

(a) Sinking Funds and Pledged Funds. Other than the Debt Service Fund and the amounts and investments on deposit therein from time to time, there are not now and will not be at any time while the Note is outstanding --

(i) any debt service fund, reserve fund, replacement fund, any similar fund, or any amount or investment reasonably expected to be used, directly or indirectly (such as, by the generation of income to be used), to pay principal or interest on the Note; and

(ii) any fund, amount, or investment that is directly or indirectly pledged to pay principal or interest on the Note. A pledge includes, but is not limited to, any arrangement, regardless of its form, which provides reasonable assurance that the amount will be available to pay principal or interest, even if the District encounters financial difficulty. A pledge to a guarantor or an agreement to maintain an amount at a particular level or balance for the direct or indirect benefit of bondholder or a guarantor would constitute a pledge for this purpose.

(b) No Other Replacement Proceeds. There will be no other replacement proceeds allocable to the Note. Based on the reasonable expectations of the District as of the date hereof, the term of the Note is not longer than, and the District will not allow the Note to remain outstanding longer than, is reasonably necessary for the governmental purposes for which the Note is being issued. The weighted average maturity of the Note does not exceed 120 percent of the reasonably expected economic life of the capital projects being financed by the Note, determined in the same manner as provided under Section 147(b) of the Code. In addition, none of the proceeds of the Note will be used to finance working capital expenditures.

12. No Overissuance. Based on the expectations set forth in the preceding paragraphs, the amount of the proceeds from the issuance of the Note, plus all investment proceeds to be received with respect to the Note, does not exceed by any amount, the amount required for the governmental purposes for which the Note is being issued, as described in paragraph 3 above.

13. No Other Issues. There are no other obligations issued by the District or any related party of the District, which (a) were sold at substantially the same time as the Note (within 15 days), (b) were or expected to be payable from the same source of funds as the Note and (c) were or will be sold pursuant to the same plan of financing as the Note.

14. Issue Price. The Purchaser purchased the Note from the District for an aggregate purchase price of \$1,000,000.00, the principal amount of the Note. The Purchaser purchased the Note to hold for investment purposes and not in the capacity of a bond house, broker, dealer, or similar person or organization acting in the capacity of underwriter or wholesaler. The Note is not being offered for sale to the public, is not being issued in exchange for property, and is being

issued without pre-issuance accrued interest. Based on the foregoing and on the Certificate of Purchaser, attached as Exhibit A and incorporated herein by reference, the Issue Price of the Note, without taking into account any costs of issuance or pre-issuance accrued interest, is \$1,000,000.00.

15. Yield on the Note. For purposes of this Certificate, the term “yield” shall have the meaning ascribed to it in Section 148(h) of the Code and the Regulations in effect thereunder and, when used with respect to the Note, shall mean that interest rate which when used as a discount factor to compute the present value as of the Issue Date of all scheduled payments of principal of and interest on the Note, produces an amount equal to (i) the Issue Price of the Note, plus (ii) any pre-issuance accrued interest on the Note as of the Issue Date. Yield on the Note shall not take into account or reflect any underwriter’s discount, cost of issuance of the Note and reduced by the Federal Subsidy permitted by Section 6431 of the Code. The yield on the Note, calculated in this manner and as stated in the Certificate of Financial Advisor, Exhibit B hereto, is 0.099975 percent.

16. Weighted Average Maturity. As calculated by the Financial Advisor in the manner described below and set forth in the Certificate of Financial Advisor, Exhibit B hereto, the weighted average maturity of the Note to be 7.9667 years, which is the sum of the products of the Issue Price of each group of identical maturities of the Note and the number of years to maturity (determined separately for each group of identical maturities of the Note and taking into account mandatory redemptions), divided by the aggregate sale proceeds of the Note

17. Rebate. Except as otherwise provided in Section 148(f) of the Code, as modified by Sections 54A(d)(4)(B) and (C) of the Code, the Issuer will account for proceeds of the Note separately from other funds of the District and will compute and pay to the United States Treasury the rebate due with respect to the Note no less frequently than every five years, 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. The rebate requirements do not apply to the investments of Available Project Proceeds during the Expenditure Period, or to the investment of amounts in the Interest and Sinking Fund that are equal to or less than the Permitted Sinking Fund Yield.

18. No Change in Use. The District does not expect and will not use the proceeds of the Note in any manner other than as described in paragraph 3. Furthermore, the District does not expect to dispose of any portion of the Project financed with proceeds of the Note, or to change the use of the proceeds of the Note while any Note is outstanding.

19. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the proceeds of the Note will not be used in a manner that would cause any of the Note to be an “arbitrage bond” within the meaning of Section 148 of the Code and the Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

20. Reimbursement. None of the proceeds of the Note will be allocated to, or otherwise used to reimburse any expenditure paid, either actually or constructively, by the District prior to the date hereof.

21. Not a Refunding. No portion of the proceeds of the Note is expected to be used to pay any interest on or principal of any issue of governmental obligations other than the Note.

22. Not a Hedge Bond. Not more than 50 percent of the proceeds of the Note will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and the District reasonably expects that at least 85 percent of the spendable proceeds of the Note will be used to carry out the governmental purposes of the Note within the three-year period beginning on the date the Note was issued.

23. No Change In Use. The District does not expect to dispose of any portion of the Project related to the Note, or to change the use of the proceeds of the Note while any Note is outstanding.

24. No Abusive Arbitrage Device. The Note is not and will not be a part of an issue in which an abusive arbitrage device (as defined in Section 1.148-10(a) of the Regulations) is used. Without limiting the foregoing, the Note is not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (i) enabling the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, and (ii) increasing the burden on the market for tax-exempt obligations. In this regard, the District issued the Note for the primary purpose of accomplishing the bona fide governmental purposes set forth in paragraph 3 of this Certificate. Based on all the facts and circumstances, the District has not issued the Note in an amount higher than is reasonably necessary to accomplish the governmental purposes of the Note, the District has not issued the Note earlier than is reasonably necessary to accomplish the governmental purposes of the Note and the District is not allowing the Note to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Note. The District would have issued the Note regardless of any arbitrage benefit, which it may realize in connection with the Note. In fact, the District reasonably expects that even if the Note was not a tax-exempt obligation and if market rates of interest on taxable and tax-exempt obligations were equal to each other and to the rates at which the Note is in fact now being issued, the District would have issued the Note, notwithstanding the loss of any opportunity to borrow at lower tax-exempt rates and invest at higher taxable rates.

25. Allocations and Accounting. The proceeds of the Note will be allocated to expenditures not later than 18 months after the later of the date the expenditure is made or the date the Project is placed in service, but in no event later than the date that is 60 days after the fifth anniversary of the date hereof or the retirement of the last Note, if earlier. The allocation of proceeds will be made by employing the direct-tracing method of accounting, unless the District elects otherwise. The District will maintain records and documentation regarding the allocation of expenditures to proceeds of the Note and the investment of gross proceeds for at least six years after the close of the final calendar year during which the Note is outstanding.

26. No Arbitrage. On the basis of the foregoing facts, estimates and circumstances, it is expected that the proceeds of the Note will not be used in a manner that would cause any of the Note to be an "arbitrage bond" within the meaning of Section 148 of the Code and the


Regulations. To the best of the knowledge and belief of the undersigned, there are no other facts, estimates or circumstances that would materially change such expectations.

27. Record Retention. The District will take steps to ensure that all materials, records, and information necessary to confirm the treatment of the Note as a qualified school construction bond under Sections 54A and 54F of the Code are retained for a period beginning on the issue date of the Note and ending three years after the date the Note is retired.

[Signature Page Follows]

EXECUTED AND DELIVERED as of the 6th day of January, 2011.

MAY INDEPENDENT SCHOOL DISTRICT

By: 

Don Rhodes
Superintendent

- EXHIBIT A — Certificate of Purchaser
- EXHIBIT B — Certificate of Financial Advisor
- EXHIBIT C — TEA Approval of QSCB Allocation
- EXHIBIT D — TEA QSCB Application
- EXHIBIT E — Bureau of Public Debt QSCB Information from December 5, 2011
- EXHIBIT F — IRS Form 8038-TC
- EXHIBIT G — Certificate Regarding Conflicts of Interest

May Independent School District
Maintenance Tax Note, Taxable Series 2012Q
Federal Tax Certificate - Signature Page

EXHIBIT A

CERTIFICATE OF PURCHASER

The undersigned hereby certifies with respect to the sale of the May Independent School District Maintenance Tax Note, Series 2012Q (the "Note"), as follows:

The undersigned is a duly authorized representative of Southside Bank, Tyler, Texas (the "Purchaser"), that purchased the Note from the May Independent School District (the "District"), pursuant to an arms-length negotiated transaction. In this capacity, the undersigned is familiar with the facts stated herein. Capitalized terms not defined herein have the same meaning set forth in the Federal Tax Certificate to which this Certificate is attached (the "Federal Tax Certificate"). Capitalized terms not defined herein and not otherwise defined have the meaning ascribed to such terms in the Federal Tax Certificate to which this certificate is attached.

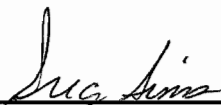
The "Issue Price" of the Note is equal to \$1,000,000.00, the principal amount of the Note. The Note was not publicly offered but was sold pursuant to an arm's-length transaction to the Purchaser at the Issue Price. The Issue Price of the Note does not exceed the fair market value of the Note on the date the Note was purchased by the Purchaser. Based on the foregoing, the Issue Price of the Note is equal to \$1,000,000.00. The Note was issued without pre-issuance accrued interest.

[SIGNATURE PAGE FOLLOWS]

The Purchaser hereby authorizes the District to rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate to which this Certificate is attached and in connection with compliance by the District with the provisions of the Code regarding qualified school construction bonds under Section 54F of the Internal Revenue Code of 1986, as amended (the "Code"). Further, we hereby authorize Andrews Kurth LLP, Note Counsel to the District, to rely on the statements regarding the treatment of the Note as a qualified school construction bond under Section 54F of the Code.

EXECUTED this 5th day of January, 2012.

SOUTHSIDE BANK, TYLER, TEXAS

By: 

Greg Sims
Senior Vice President

EXHIBIT B

CERTIFICATE OF FINANCIAL ADVISOR

Government Capital Securities Corporation (the "Financial Advisor") has acted as financial advisor to May Independent School District (the "District") in connection with the sale of the May Independent School District Maintenance Tax Note, Taxable Series 2012Q, (the "Note"). I, the undersigned, on behalf of the Financial Advisor, hereby certify as follows:

1. The undersigned is a duly authorized representative of Government Capital Securities Corporation (the "Financial Advisor") in connection with the issuance of the Note. In this capacity, the undersigned is knowledgeable with the facts stated herein.

2. The term "yield" shall have the meaning ascribed to it in Section 148(h) of the Code and the Regulations in effect thereunder and, when used with respect to the Note, shall mean that interest rate which when used as a discount factor to compute the present value as of the Issue Date of all scheduled payments of principal of and interest on the Note produces an amount equal to (i) the Issue Price of the Note, plus (ii) any pre-issuance accrued interest, if any, on the Note as of the Issue Date. Yield on the Note shall not take into account or reflect any underwriter's discount or cost of issuance of the Note and is reduced by the tax credit permitted by Section 54A of the Code. The yield on the Note, calculated in this manner by the Financial Advisor, are 5.09620 percent.

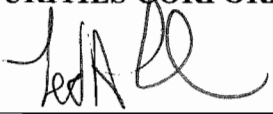
3. The Financial Advisor calculated the weighted average maturity of the Note to be 7.9667 years, which is the sum of the products of the issue price of each group of identical maturities of the Note and the number of years to maturity (determined separately for each group of identical maturities of the Note, and taking into account any mandatory redemptions), divided by the aggregate sale proceeds of the Note. No maturity of the Note exceeds 19 years.

[Signature page follows.]

I hereby authorize the District to rely on the statements made herein in connection with making the representations set forth in the Federal Tax Certificate to which this certificate is attached and in efforts to comply with the conditions imposed by the Code on the qualification of the Note as a as qualified school construction bond under Section 54F of the Internal Revenue Code of 1986, as amended. I hereby authorize Andrews Kurth LLP, Bond Counsel to the District to rely on this certificate for purposes of their opinion regarding the treatment of the Note as a qualified school construction bond under Section 54F of the Internal Revenue Code of 1986, as amended. Capitalized terms used herein and not otherwise defined have the meaning ascribed to such terms in the Federal Tax Certificate to which this certificate is attached.

EXECUTED as of the 6th day of January, 2011.

**GOVERNMENT CAPITAL
SECURITIES CORPORATION**

By: 

Ted Christensen
Vice President

EXHIBIT C
TEA APPROVAL OF QSCB ALLOCATION



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Robert Scott
Commissioner

June 24, 2010

025-905

Mr. Don Rhodes, Superintendent
May Independent School District
3400 CR 411 E
May, TX 76857

Re: Qualified School Construction Bond Program Application for 2010

Dear Mr. Rhodes:

The Texas Education Agency is pleased to inform you that May ISD meets the eligibility requirements and is approved to designate \$4,600,000 in bonded indebtedness as part of the federal Qualified School Construction Bond (QSCB) program. May ISD will have one year from the date on this letter to issue the corresponding debt instrument. The one-year period ends on June 24, 2011. If the debt is not issued by this date, the QSCB designation will lapse. Please notify our office by letter when the debt has been issued.

The debt may be issued as a bond under the authority of the Texas Education Code (TEC), Chapter 45, Subchapter A; a lease purchase under the Local Government Code, Section 271.004 or Section 271.005; or a time warrant issued under the TEC, Section 45.103. It is the opinion of agency counsel that the QSCB designation may also be applied to a pledge of delinquent taxes as security for a loan under the TEC, Section 45.104, or applied to maintenance notes authorized under the TEC, Section 45.108, presuming that the purposes for which the notes were issued meet the program requirements.

Please note the following requirements relating to expenditures. An issue shall be treated as meeting the expenditure requirements if, as of the date of issuance, the district reasonably expects that:

- 100 percent of the proceeds from the sale of the issue will be spent for one or more qualified purposes with respect to qualified school construction within the 3-year period beginning on the date of issuance of the qualified school construction bond; and
- a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the qualified school construction bond.



TEXAS EDUCATION AGENCY

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Robert Scott
Commissioner

June 3, 2011

025-905

Mr. Don Rhodes, Superintendent
May Independent School District
3400 CR 411 East
May, TX 76857

Re: 2010 Qualified School Construction Bond (QSCB) Extension Request

Dear Mr. Rhodes:

Your district requested an extension of the June 24, 2011, deadline to issue the 2010 authorized QSCB debt instrument. The Texas Education Agency (TEA) is granting your district an extension of 180 days from June 24, 2011, to issue the debt instrument. If the debt is not issued by the **December 21, 2011**, deadline, the QSCB designation of **\$4,600,000** will lapse. Please notify the TEA State Funding Division by letter when the debt has been issued.

If you have questions about the QSCB program, please contact Gary B. Marek by telephone at (512) 463-9190 or by email at gary.marek@tea.state.tx.us, or Sam Lester by telephone at (512) 475-2029 or by email at sam.lester@tea.state.tx.us.

Sincerely,

A handwritten signature in black ink that reads "Twanna Buford". The signature is fluid and cursive, with a large loop at the end of the last name.

Twanna Buford
Manager of Facilities and Transportation
State Funding Division

TB/sl



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Robert Scott
Commissioner

December 9, 2011

025-905

Mr. Don Rhodes, Superintendent
May Independent School District
3400 CR 411 East
May, Texas 76857

Re: 2010 Qualified School Construction Bond (QSCB) Extension Request

Dear Mr. Rhodes:

Your district requested an extension of the December 21, 2011, deadline to issue the 2010 authorized QSCB debt instrument. The Texas Education Agency (TEA) is granting your district an extension of 180 days from December 21, 2011, to issue the debt instrument. If the debt is not issued by the **June 18, 2012**, deadline, the QSCB designation of **\$4,600,000** will lapse. Please notify the TEA State Funding Division by letter when the debt has been issued.

If you have questions about the QSCB program, please contact Gary B. Marek by telephone at (512) 463-9190 or by email at gary.marek@tea.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", with a long horizontal flourish extending to the right.

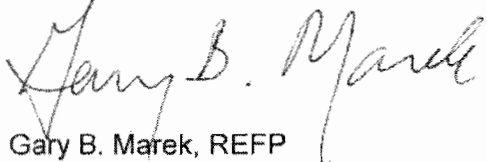
Al McKenzie
Manager of Forecasting, Facilities & Transportation
Office of School Finance

AM/gbm

This designation of the bonded indebtedness as QSCB-qualified neither qualifies nor disqualifies a school district from participation in the TEC, Chapter 46, Instructional Facilities Allotment (IFA) program. Districts that wish to seek IFA funding for this bonded indebtedness must submit a separate application prior to the passage of an order by the school district board of trustees authorizing the issuance of bonded debt or prior to the passage of an order by the school district board of trustees authorizing a lease-purchase agreement.

Thank you for your participation in the QSCB program. If you have additional questions, please contact me by phone at 512-463-9190 or by email at gary.marek@tea.state.tx.us.

Sincerely,

A handwritten signature in cursive script that reads "Gary B. Marek". The signature is written in black ink and is positioned above the typed name and title.

Gary B. Marek, REFP
Director of School Facilities
Division of State Funding

EXHIBIT D
TEA QSCB APPLICATION

**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

District or Charter School Name: May Independent School District

County-District Number: 025-905

District or Charter School Contact Person: Don Rhodes

Address 1: 3400 CR 411 E

Address 2: _____

City: May

Zip Code: 76857

Telephone: (254) 259-2091

Email Address: don.rhodes@netxv.net

Bond Authorization Requested

The maximum bond authorization that may be requested per district or charter school per allocation year is the greater of either:

- 1) \$5,000,000; or
- 2) $\{\$5,000,000 + [\$500 \times (2009-2010 \text{ Public Education Information Management System student enrollment} - 400)]\}$.

The maximum bond authorization that may be requested per district or charter school per allocation year may be increased by an additional 5 percent if the district or charter school commits to designing and constructing its projects so that they receive certification under a high-performance building standard such as:

- o the Leadership in Energy and Environmental Design (LEED) Green Building Rating System;
- o the Texas Collaborative for High Performance Schools (TX-CHPS) Criteria;
- o the Green Building Initiative's Green Globes criteria; or
- o an equivalent standard adopted by the municipality or county in which the projects are located.

Acknowledgement of intent to design and construct projects so that they receive certification under a high-performance building standard (please check if applicable)

Numeric amount of the bond authorization requested: \$4,600,000
(Example: \$5,250,000)

Written amount of the bond authorization requested: Four Million, Six Hundred Thousand Dollars
(Example: Five million two hundred fifty thousand dollars)

Applicant must commit to spend at least 10 percent of the proceeds within six months and 100 percent of the proceeds within three years of issue of the QSCB bonds:

Anticipated issue date: December 15, 2010

Anticipated amount of funds spent six months after issue: \$1,000,000

Anticipated amount of funds spent three years after issue: \$4,600,000 total spent within three years

**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

County-District Number: 025-905 District or Charter School Name: May Independent School District

Project Description(s)

	CAMPUS NAME	PROJECT TYPE <small>(check one box only for each project)</small>	ESTIMATED COST	NARRATIVE DESCRIPTION
Project 1	District wide use	<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input checked="" type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input type="checkbox"/> Repairs or rehabilitation only	\$1,500,000	Construction of a new competition gym
Project 2	Elementary	<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input checked="" type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input type="checkbox"/> Repairs or rehabilitation only	\$1,500,000	Construction of a new primary school classrooms
Project 3	District wide	<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input checked="" type="checkbox"/> Repairs or rehabilitation only	\$1,508,000	School facility renovations including energy efficiency upgrades.
Project 4		<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input type="checkbox"/> Repairs or rehabilitation only	\$	
		Issuance costs (if any):	\$92,000	Cannot exceed 2% of the bond authorization amount requested
		TOTAL PROJECT COSTS & ISSUANCE COSTS:	\$4,600,000	Must equal the bond authorization amount requested

This page may be reproduced to provide additional space as needed.

Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010

County-District Number: 025-905 District or Charter School Name: May Independent School District

As used in this application:

- "Agency" means the Texas Education Agency (TEA);
- "Applicant" means the entity eligible to apply for bond authorization. If the application is approved, "applicant" means the entity granted the bond authorization.

Statement of provisions and assurances for the bond authorization requested in this application:

- A. The applicant certifies that 100 percent of the proceeds of the qualified school construction bonds will be used for some or all of the following qualified purposes:
- Construction of public school facilities;
 - Rehabilitation or repair of public school facilities;
 - Acquisition of land on which public school facilities will be constructed with proceeds of issuance;
 - Equipment related to the project(s) constructed or rehabilitated with the proceeds of issuance; or
 - Issuance costs not to exceed 2 percent of total bond proceeds.

Within six months of issuance, the applicant must have entered into contract(s) for use of proceeds equal to 10 percent of issuance. Additionally, 100 percent of the bond proceeds are to be used for a qualified purpose and must be spent within three years of the date of issuance.

B. Debt instruments:

A school district applicant shall issue one or more of the following four types of debt instruments:

- General Obligation Bond - authorized under the authority of the Texas Education Code, Chapter 45, Subchapter A;
- Lease Purchase - authorized under the Texas Local Government Code, §271.004 or §271.005;
- Time Warrant - authorized under the Texas Education Code, §45.103; or
- Maintenance Tax Note - authorized under the Texas Education Code, §45.108.

A charter applicant shall issue only the following type of debt instrument:

- Revenue Bond - as authorized under the Texas Education Code, Chapter 53, Subchapter C.

- C. **Compliance with the Davis-Bacon Act:** The applicant certifies that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the federal government pursuant to this authorization shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the secretary of labor in accordance with 40 United States Code (USC), Chapter 31, Subchapter IV. With respect to the labor standards specified in this section, the secretary of labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 USC Appendix) and 40 USC, §3145 (Section 1606).

The applicant certifies that all contracts will include language that acknowledges that all contractors or subcontractors must pay laborers and mechanics employed under the contract no less than locally prevailing wages for corresponding work on similar projects in the area. The U.S. Department of Labor determines locally prevailing wage rates.

Wage determinations: <http://www.access.gpo.gov/davisbacon/>

Texas wage determinations are linked from the following site:

<http://www.access.gpo.gov/davisbacon/TX.html>

- D. The applicant certifies that the applicant will comply with any arbitrage and rebate requirements that may be applicable on governmental tax-exempt bonds.

Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010

County-District Number: 025-905 District or Charter School Name: May Independent School District

Statement of provisions and assurances for the bond authorization requested in this application (continued):

- E. No other agreement, written or oral, purporting to alter or amend this application shall be valid.
- F. The applicant certifies that **the person signing this application has been properly delegated this authority.**
- G. In the conduct of the bond authorization, the applicant shall be subject to **Texas State Board of Education rules and commissioner of education rules pertaining to school facilities and the bond authorization and to the laws of the State of Texas governing this bond authorization.** This document constitutes the entire agreement between the agency and the applicant for the bond authorization.
- H. The agency may conduct **desk reviews or on-site monitoring reviews** to determine compliance with the approved application and the applicable statute(s), law(s), regulations, and guidelines.
- I. If the applicant, in the agency's sole determination, fails or refuses for any reason to perform any of its obligations under this contract, **the agency may impose such sanctions as it may deem appropriate.** The cancellation, termination, or suspension of this bond authorization, if imposed, shall become effective at the close of business on the day of the applicant's receipt of written notice thereof from the agency.
- J. The applicant, to the extent permitted by law, shall hold the agency harmless from and shall indemnify the agency against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising from, or in connection with any acts of the applicant, its agents, employees, and subcontractors, done in the conduct of the bond authorization.
- K. **The applicant shall maintain its records and accounts in a manner that assures a full accounting for all funds received and expended by the applicant in connection with the bond authorization.** These records and accounts shall be retained by the applicant and made available for programmatic or financial audit by the agency and by others authorized by law or regulation to make such an audit for a period of not less than five years from the date of the end of debt service. If an audit has been announced, the records shall be retained until such audit has been completed.
- L. The applicant certifies that no funds provided under this bond authorization shall be used to purchase supplies, equipment, or services from any **companies found to be guilty of unfair business practices** within 12 months from the determination of guilt.
- M. The applicant certifies that no funds will be used to pay for **religious worship, instruction, or proselytization**, or for any equipment or supplies for such, or for any construction, remodeling, repair, operation, or maintenance of any facility or part of a facility to be used for religious worship, instruction, or proselytization (34 Code of Federal Regulations, §76.532 and Public Law 107-110, §9505).
- N. The applicant certifies that any construction or major renovation of an existing or new instructional facility using funds obtained by the applicant under this bond authorization shall consider, in the design of the instructional facility, **security criteria developed by the Texas School Safety Center under the Texas Education Code, §37.2051.**


**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

County-District Number: 025-905 District or Charter School Name: May Independent School District

I certify that to the best of my knowledge, the information in this application is true and correct. I further certify that any ensuing program and activity will be conducted in accordance with all applicable federal and state laws and regulations, application guidelines and instructions, and the statement of provisions and assurances contained herein.

Don Rhodes, Superintendent

Printed Name of Superintendent or Other Authorized District or Charter School Official

X 

Original Signature (Blue Ink Preferred) of Superintendent or Other Authorized District or Charter School Official

X

Date

Please return to: Texas Education Agency
Document Control Center, Room 6-108
ATTN: QSCB
1701 North Congress Avenue
Austin, TX 78701

Fax or email submissions will *not* be accepted. **Completed applications will be considered on a first-come, first-served basis, with an application deadline of 5:00 p.m. (CDT), June 30, 2010.**

Questions? Call Sam Lester of the State Funding Division at (512) 475-2029 or Gary Marek of the State Funding Division at (512) 463-9190.

EXHIBIT E

**TREASURY DIRECT QUALIFIED SCHOOL CONSTRUCTION
BOND RATES FOR DECEMBER 5, 2011**



Qualified Tax Credit Bond Rates

Section 54A of the Internal Revenue Code (IRC) provides rules for the issuance and use of qualified tax credit bonds including new clean renewable energy bonds, qualified energy conservation bonds, qualified zone academy bonds, and qualified school construction bonds. For rates on clean renewable energy bonds issued under Section 54 of the IRC, check our [CREB page](#).

Current Rate

Date	Rate	Maturity	PSFY*
Dec 5, 2011	5.06%	19 years	3.87%

SEARCH HISTORICAL QTCB RATES

From Date			To Date		
Month	Day	Year	Month	Day	Year
12	5	2011	12	5	2011

*Permitted Sinking Fund Yield - The maximum permitted yield for the sinking fund expected to be used to repay the issue under section 54A(d)(4)(C) of the IRC. The permitted sinking fund yield is equal to 110% of the long-term adjusted applicable federal rate (AFR), compounded semiannually. The permitted sinking fund yield is updated monthly.

These rates will normally be published by 10:00 am ET each federal business day.

For more information on qualified tax credit bonds, call the Internal Revenue Service's Office of Associate Chief Counsel (Financial Institutions & Products) at (202) 622-3980.

EXHIBIT F
IRS FORM 8038-TC

**Information Return for Tax Credit Bonds
 and Specified Tax Credit Bonds**

► Under Internal Revenue Code section 149(e)
 ► See separate instructions.

Part I Reporting Authority		Check if Amended Return ► <input type="checkbox"/>
1 Issuer's name May Independent School District		2 Issuer's employer identification number (EIN) 75-1613852
3 Name of person (other than the issuer) with whom the IRS may communicate about this return (See instructions.) Hoang Vu, Bond Counsel		4 Report number (For IRS Use Only) [] [] []
5 Number and street (or P.O. Box if mail is not delivered to street address) 3400 CR 411 E		
6 City, town, or post office, state, and ZIP code May, Texas 76857		7 Date of issue (MM/DD/YYYY) 01 / 06 / 2012
8 Name of issue Maintenance Tax Notes, Taxable Series 2012Q (Qualified School Construction Bonds)		9 CUSIP number None
10 Name and title of officer of issuer whom the IRS may call for more information (See instructions.) Don Rhodes, Superintendent		11 Telephone number of officer or other person 254-259-2091

Part II Type of Issue	
1 Tax Credit Bond Code (See instructions, enter three digit code for the type of issue)	► 1 0 5
2 Description: <u>qualified school construction bonds</u>	
3 Has the issuer made an irrevocable election to apply section 6431(f)? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
4 Enter the first interest payment date (MM/DD/YYYY) ► <u>12 / 15 / 2012</u>	
5 Interest payment date frequency (Check box; see instructions and attach debt service schedule):	
a <input checked="" type="checkbox"/> annual,	
b <input type="checkbox"/> semi-annual,	
c <input type="checkbox"/> quarterly,	
d <input type="checkbox"/> monthly, or	
e <input type="checkbox"/> other	
f If line 5e above is checked, please describe the payment frequency:	

Part III Description of Obligations	
1 Issue price	1 \$1,000,000
2 Stated redemption price at maturity	2 \$1,000,000
3 Final maturity date (enter date MM/DD/YYYY) ► <u>12 / 15 / 2026</u>	
4 Applicable credit rate	4 0 5 . 0 6 %
5 Maximum term	5 1 9 . 0 0 years
6 Permitted Sinking Fund Yield	6 0 3 . 8 7 0 0 %
7 Enter the interest rate on the bonds	7 0 5 . 1 6 0 0 %
8 If the issue is a variable rate issue, check box 8a ► <input type="checkbox"/> Enter the frequency rates are reset 8b ►	

Part IV Proceeds of Issue (Including underwriters' discount)		Amount
1 Sale Proceeds	1	\$1,000,000
2 Proceeds used for bond issuance cost (including underwriters' discount)	2	\$20,000
3 Estimated investment proceeds	3	\$3,028
4 Expected available project proceeds (Subtract line 2 from line 1 and add line 3)	4	\$983,028
5 Matching pledged funds	5	\$0
6 Other (describe) ► <u>\$0</u>	6	\$0
7 Total proceeds (Add lines 4 through 6)	7	\$983,028

Part V Description of Use of Proceeds for Qualified Purpose Expenditures		Amount
1a Loans to qualified borrower(s)	1a	\$0
b If a written loan commitment was obtained prior to issue date, check box ► <input type="checkbox"/>		
c Name of borrower ► _____		
d EIN of borrower ► _____ (Attach list if more than one)		
2 Land	2	\$0
3 Buildings and structures	3	\$0
4 Furniture or equipment with recovery period of more than 5 years	4	\$117,000
5 Furniture or equipment with recovery period of 5 years or less	5	\$0
6 Grants	6	\$0
7 Demonstration projects	7	\$0
8 Public education campaigns	8	\$0
9 Repairs or other rehabilitation expenditures	9	\$866,028

Form 8038-TC (6-2010)

Page 2

Description of Use of Proceeds for Qualified Purpose Expenditures (Continued)

Table with 4 columns: Line number, Description, Line number, Amount. Rows 10-17 detailing expenditures like 'Developing course materials' and 'Total qualified purpose expenditures'.

Part VI Allocation of National, State, Tribal, or Local Bond Limitation Amount (Enter source and amount of allocation and attach copy of certificate)

Table with 2 columns: Description, Amount. Row 1a: Volume cap allocation amount \$1,000,000. Includes checkboxes for National, State, Tribal, and Local allocation.

Part VII Miscellaneous

- 1 Arbitrage questions:
a If there is a reserve or sinking fund that is expected to repay the issue at maturity, check box
b If 1a is checked and the reserve or sinking fund is funded in equal periodic installments, check box
c If either the funding of the reserve or sinking fund is expected to result in an amount greater than the amount necessary to repay the issue; or, if the yield on such fund is greater than the permitted sinking fund yield from line 6, Part III, check box
d If the issuer established written procedures to monitor the requirements of section 148 with respect to these bonds, check box
2 If all federal, state, and local requirements governing conflicts of interest are satisfied with respect to this issue, check box
3 If the entitlements to credits with respect to this bond issue are expected to be stripped, check box
4 If the issuer established written procedures to ensure that all nonqualified bonds at the end of the applicable period are redeemed within 90 days, check box
5 Other:

Signature and Consent section. Includes a signature of Don Rhodes, Superintendent, dated 1/6/2012. Text: 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.

Paid Preparer's Use Only section. Includes fields for Preparer's signature, Date, Check if self-employed, Preparer's SSN or PTIN (P01076965), Firm's name (Andrews Kurth LLP), address (600 Travis, Suite 4200, Houston, Texas 77002), EIN (74-1027138), and Phone no. (713-220-4200).

Part VIII Consent to Disclosure of Certain Information from this Return

- 1 Does the issuer give the IRS consent to publish, through a website or in a publication, its name and address, employer identification number, name and description of bond issue, date of issuance, CUSIP number, issue price, final maturity date, stated redemption price at maturity, applicable credit rate, and maximum term, to assist in the proper reporting of interest, tax credits, or other benefits under IRC section 6049 and Regulations thereunder. Yes No

Under penalties of perjury, I declare that I am an officer of the above named issuer and that I am authorized to give consent on behalf of the above named issuer for the IRS to publish the items of information described in line 1 of Part VIII of this form to assist in the reporting obligations under IRC section 6049.

Sign Here section. Includes fields for Signature, Date, and Type or print name and title.

Issuer's name:

Issuer's employer identification number (EIN):

Schedule A	Schedule for New Clean Renewable Energy Bonds (New CREBs)		Tax Credit Bond Code
	▶ Under Internal Revenue Code sections 54A and 54C		
	▶ See separate instructions.		102

Part I Issuer Questions		Yes	No
1 Is the issuer a public power provider?	1		
2 Is the issuer a cooperative electric company?	2		
3 Is the issuer a governmental body?	3		
4 Is the issuer a clean renewable energy bond lender?	4		
5 Is the issuer a not-for-profit electric utility which has received a loan/loan guarantee under the Rural Electrification Act?	5		
6 Have proceeds been used to acquire existing facilities? (See instructions.)	6		
7 Have proceeds been used to refinance existing facilities? (See instructions.)	7		
8 Is the issue date of the issue on or before the date that is 3 years after the volume cap allocation date? (See instructions.)	8		
9 Has the issuer designated these bonds as New CREBs for purposes of section 54C?	9		

Part II		Amount
1 (For IRS Use Only)	1	

Part III List of Qualified Renewable Energy Facilities

List the type of qualified renewable energy facilities (see instructions) to be financed by the bonds, the location, the owner of such facility, the owner's EIN, and the amount of available project proceeds to be used for that facility. (If more than one, attach schedule.)

Type of Facility: _____

Location of Facility: _____

Owner's Name: _____

Owner's EIN: _____

Amount of Available Project Proceeds \$: _____

Schedule B	Schedule for Qualified Energy Conservation Bonds (QECBs)		Tax Credit Bond Code
	▶ Under Internal Revenue Code sections 54A and 54D		
	▶ See separate instructions.		103

Part I Issuer and Project Questions		Yes	No
1 Has the issuer designated these bonds as QECBs for purposes of section 54D?	1		
2 Has the allocation been reallocated from a large local government to a State?	2		
3 Is the issuer a large local government?	3		
4 Is the issuer an Indian tribal government?	4		
5 Are all proceeds to be used within the jurisdiction of the issuer?	5		
6 If the issuer issued the bonds based on a volume cap allocation received by another authorized entity (that allocated volume cap to the issue), check "Yes." If not, check "No." Provide the name of such authorized entity. Attach schedule if more than one entity's volume cap is used (See instructions.)	6		

Part II		Amount
1 (For IRS Use Only)	1	

Part III List of Conservation Purposes, Location of the Facilities, Amount of Proceeds Used for the Purpose, Private Activity User, and Private User's EIN.

1 List the type of qualified conservation purpose described under section 54D(f) financed with the proceeds of the bonds, the location of the facility financed with the proceeds of the bond, and the amount of available project proceeds to be used for the qualified conservation purpose. If the bonds are private activity bonds, provide the name and EIN of all private users. (If the issuer is issuing bonds for more than one purpose or facility attach schedule.)

Type of qualified conservation purpose: _____

Location of facility financed with bond proceeds: _____

Amount of proceeds to be used for this purpose \$: _____

Are the bonds private activity bonds? ▶ Yes No

If "Yes," provide the name and EIN of each private user _____

Issuer's name:

Issuer's employer identification number (EIN):

Schedule C

Schedule for Qualified Zone Academy Bonds (QZABs)

Under Internal Revenue Code sections 54A and 54E

See separate instructions.

Tax Credit Bond Code

104

Part I Academy and Issuer Information

Table with 3 columns: Question number, Question text, Yes, No. Contains 10 rows of questions regarding school location, lunch program, educational plan, carryover, jurisdiction, commitments, and agency approval.

Part II Description of the Private Business Contribution

(Enter the value of the amount of contribution in each type)

Table with 2 columns: Description, Amount. Contains 5 rows for contribution types: Equipment, Technical assistance, Services of donor's employees as volunteers, Opportunities for students outside of the academy, and Other.

Part III Private Business Contributor Information (Attach a schedule if more than five donors)

- 1a Enter the name of the first donor:
b Enter the EIN of the first donor:
2a Enter the name of the second donor:
b Enter the EIN of the second donor:
3a Enter the name of the third donor:
b Enter the EIN of the third donor:
4a Enter the name of the fourth donor:
b Enter the EIN of the fourth donor:
5a Enter the name of the fifth donor:
b Enter the EIN of the fifth donor:

Issuer's name: **May Independent School District**

Issuer's employer identification number (EIN):

Schedule D **Schedule for Qualified School Construction Bonds (QSCBs)**
 ▶ Under Internal Revenue Code sections 54A and 54F
 ▶ See separate instructions.

Tax Credit Bond Code
105

Part I Use of Proceeds		Yes	No
1	Are the proceeds to be used for an Indian school? (See instructions.)	1	✓
2	Are all proceeds to be used within the jurisdiction of the issuer?	✓	
3	Have these bonds been designated as QSCBs by the issuer for purposes of section 54F?	✓	
4	Are the proceeds of the issue to be spent on costs of acquisition of furniture or equipment? If the answer is "No," skip line 5	✓	
5	Is such furniture or equipment to be used in portions of the public school facility being constructed, rehabilitated, or repaired with the proceeds of the issue?	✓	
6	Are the proceeds of the issue to be spent on the costs of land acquisition? If the answer is "No," skip line 7		✓
7	Are proceeds of the issue also to be spent on the costs of construction of a public school facility on such land?		

Part II		Amount
1	(For IRS Use Only)	1

Part III Issuer Information (Does not apply to issuers that are Indian tribal governments.)

- If the issuer of the bonds is not the local educational agency in the jurisdiction of which the public school facility is located, please provide the name of such local educational agency. Attach schedule if more than one. (See instructions.)
N/A
- If the issuer issued the bonds based on a volume cap allocation received by another authorized entity (that allocated volume cap to the issue), provide the name of such authorized entity. Attach schedule if more than one entity's volume cap is used. (See instructions.)
Texas Education Agency

EXHIBIT G

CERTIFICATE REGARDING CONFLICTS OF INTEREST

The undersigned hereby certifies with respect to the sale and issuance of the May Independent School District Maintenance Tax Note, Taxable Series 2012Q (the "Note") as follows:

1. I am a duly authorized representative and officer of the May Independent School District (the "District") and am familiar with the facts surrounding the sale and issuance of the Note (the "Transaction").

2. As required by Section 54A of the Internal Revenue Code of 1986, as amended (the "Code"), the District is in compliance with all applicable State and local laws governing conflicts of interest with respect to the issuance of the Note.

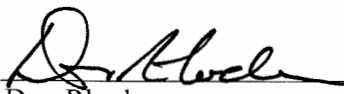
3. Specifically, each party to the Transaction, by acknowledging below, has certified that it is not required to execute a conflicts of interest questionnaire, in accordance with the requirements of Section 176 of the Texas Local Government Code, as amended ("Chapter 176"), with respect to its participation in the Transaction. Any capitalized term not otherwise defined herein shall have the meaning ascribed to such term in Section 176.001 of the Texas Local Government Code.

4. In addition, the undersigned has no knowledge or reason to believe that any Local Government Officer with respect to the District or Family Member of a Local Government Officer with respect to the District or any employee of the District (i) has received, or expects to receive at any time in the future, any financial or other pecuniary benefit of any kind (including gifts but excluding compensation for services rendered in connection with the issuance of the Contract) from any other party to the Transaction, as a result of participation in the Transaction and (ii) is required to execute a local government officer conflicts disclosure statement in accordance with the requirements of Section 176.

I hereby authorize Andrews Kurth, LLP, Bond Counsel with respect to the Note, to rely on the certifications and representations set forth in this Certificate for purposes of their opinions with respect to the qualification of the Note as a "qualified school construction bond."

EXECUTED as of the 6th day of January, 2011.

MAY INDEPENDENT SCHOOL DISTRICT

By: 
Don Rhodes
Superintendent

With respect to the issuance of the May Independent School District Maintenance Tax Note, Taxable Series 2012Q, the undersigned acknowledge and agree to for purposes of Section 3 as of January 6, 2011:

GOVERNMENT CAPITAL SECURITIES CORPORATION

By: 

Ted Christensen
Vice President

SOUTHSIDE BANK, TYLER, TEXAS

By: _____
Greg Sims
Senior Vice President

ANDREWS KURTH LLP

By: _____
Hoang Vu
Partner

With respect to the issuance of the May Independent School District Maintenance Tax Note, Taxable Series 2012Q, the undersigned acknowledge and agree to for purposes of Section 3 as of January 6, 2011:

GOVERNMENT CAPITAL SECURITIES CORPORATION

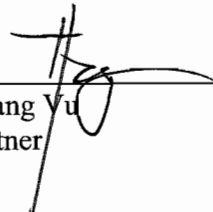
By: _____
Ted Christensen
Vice President

SOUTHSIDE BANK, TYLER, TEXAS

By: _____
Greg Sims
Senior Vice President

ANDREWS KURTH LLP

By: _____
Hoang Vu
Partner

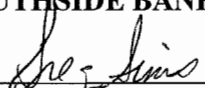


With respect to the issuance of the May Independent School District Maintenance Tax Note, Taxable Series 2012Q, the undersigned acknowledge and agree to for purposes of Section 3 as of January 6, 2011:

GOVERNMENT CAPITAL SECURITIES CORPORATION

By: _____
Ted Christensen
Vice President

SOUTHSIDE BANK, TYLER, TEXAS

By:  _____
Greg Sims
Senior Vice President

ANDREWS KURTH LLP

By: _____
Hoang Vu
Partner

MAY INDEPENDENT SCHOOL DISTRICT

December 5, 2011

The Attorney General of Texas
Public Finance Division
William P. Clements Building, 9th Floor
300 West 15th Street
Austin, Texas 78701

The Comptroller of Public Accounts
Public Finance Division
208 East 10th Street
Austin, Texas 78701

Re: May Independent School District Maintenance Tax Qualified School Construction
Notes, Taxable Series 2012Q (Direct Pay To Issuer) (the "Notes")

Ladies and Gentlemen:

The captioned Notes are being sent to the Office of the Attorney General and it is requested that such office examine and approve the Notes in accordance with law. After such approval, it is requested that the Attorney General deliver the Notes to the Comptroller of Public Accounts for registration.

Enclosed with the Notes is a signed but undated copy of the Signature Identification and No Litigation Certificate relating to the Notes. The Attorney General is hereby authorized and directed to date the Signature Identification and No Litigation Certificate concurrently with the date of approval of the Notes. If any litigation or contest should develop pertaining to the Notes or any other matters covered by said Signature Identification and No Litigation Certificate, the undersigned will notify the Attorney General thereof immediately by telephone. With this assurance the Attorney General can rely on the absence of any such litigation or contest, and on the veracity and currency of said Signature Identification and No Litigation Certificate, at the time the Attorney General approves the Notes unless the Attorney General is notified otherwise as aforesaid.

The Comptroller is hereby requested to register the Notes as required by law and the proceedings authorizing the Notes. After such registration the Comptroller is hereby authorized and directed to deliver the Notes, together with three copies of each of the Attorney General's approving Opinion and Comptroller's Certificate to Hoang Vu, Andrews Kurth LLP, 600 Travis, Suite 4200, Houston, Texas 77002.

MAY INDEPENDENT SCHOOL DISTRICT

By: 
Title: President, Board of Trustees



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • www.tea.state.tx.us

Robert Scott
Commissioner

December 9, 2011

025-905

Mr. Don Rhodes, Superintendent
May Independent School District
3400 CR 411 East
May, Texas 76857

Re: 2010 Qualified School Construction Bond (QSCB) Extension Request

Dear Mr. Rhodes:

Your district requested an extension of the December 21, 2011, deadline to issue the 2010 authorized QSCB debt instrument. The Texas Education Agency (TEA) is granting your district an extension of 180 days from December 21, 2011, to issue the debt instrument. If the debt is not issued by the **June 18, 2012**, deadline, the QSCB designation of **\$4,600,000** will lapse. Please notify the TEA State Funding Division by letter when the debt has been issued.

If you have questions about the QSCB program, please contact Gary B. Marek by telephone at (512) 463-9190 or by email at gary.marek@tea.state.tx.us.

Sincerely,

A handwritten signature in black ink, appearing to read "Al McKenzie", is written over a horizontal line.

Al McKenzie
Manager of Forecasting, Facilities & Transportation
Office of School Finance

AM/gbm



TEXAS EDUCATION AGENCY

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Model of Notice
11/13/09

June 3, 2011

025-905

Mr. Don Rhodes, Superintendent
May Independent School District
3400 CR 411 East
May, TX 76857

Re: 2010 Qualified School Construction Bond (QSCB) Extension Request

Dear Mr. Rhodes:

Your district requested an extension of the June 24, 2011, deadline to issue the 2010 authorized QSCB debt instrument. The Texas Education Agency (TEA) is granting your district an extension of 180 days from June 24, 2011, to issue the debt instrument. If the debt is not issued by the **December 21, 2011**, deadline, the QSCB designation of **\$4,600,000** will lapse. Please notify the TEA State Funding Division by letter when the debt has been issued.

If you have questions about the QSCB program, please contact Gary B. Marek by telephone at (512) 463-9190 or by email at gary.marek@tea.state.tx.us, or Sam Lester by telephone at (512) 475-2029 or by email at sam.lester@tea.state.tx.us.

Sincerely,

A handwritten signature in black ink that reads "Twanna Buford". The signature is fluid and cursive, with a large loop at the end of the last name.

Twanna Buford
Manager of Facilities and Transportation
State Funding Division

TB/sl



June 24, 2010

025-905

Mr. Don Rhodes, Superintendent
May Independent School District
3400 CR 411 E
May, TX 76857

Re: Qualified School Construction Bond Program Application for 2010

Dear Mr. Rhodes:

The Texas Education Agency is pleased to inform you that May ISD meets the eligibility requirements and is approved to designate \$4,600,000 in bonded indebtedness as part of the federal Qualified School Construction Bond (QSCB) program. May ISD will have one year from the date on this letter to issue the corresponding debt instrument. The one-year period ends on June 24, 2011. If the debt is not issued by this date, the QSCB designation will lapse. Please notify our office by letter when the debt has been issued.

The debt may be issued as a bond under the authority of the Texas Education Code (TEC), Chapter 45, Subchapter A; a lease purchase under the Local Government Code, Section 271.004 or Section 271.005; or a time warrant issued under the TEC, Section 45.103. It is the opinion of agency counsel that the QSCB designation may also be applied to a pledge of delinquent taxes as security for a loan under the TEC, Section 45.104, or applied to maintenance notes authorized under the TEC, Section 45.108, presuming that the purposes for which the notes were issued meet the program requirements.

Please note the following requirements relating to expenditures. An issue shall be treated as meeting the expenditure requirements if, as of the date of issuance, the district reasonably expects that:

- 100 percent of the proceeds from the sale of the issue will be spent for one or more qualified purposes with respect to qualified school construction within the 3-year period beginning on the date of issuance of the qualified school construction bond; and
- a binding commitment with a third party to spend at least 10 percent of the proceeds from the sale of the issue will be incurred within the 6-month period beginning on the date of issuance of the qualified school construction bond.

This designation of the bonded indebtedness as QSCB-qualified neither qualifies nor disqualifies a school district from participation in the TEC, Chapter 46, Instructional Facilities Allotment (IFA) program. Districts that wish to seek IFA funding for this bonded indebtedness must submit a separate application prior to the passage of an order by the school district board of trustees authorizing the issuance of bonded debt or prior to the passage of an order by the school district board of trustees authorizing a lease-purchase agreement.

Thank you for your participation in the QSCB program. If you have additional questions, please contact me by phone at 512-463-9190 or by email at gary.marek@tea.state.tx.us.

Sincerely,

A handwritten signature in cursive script, appearing to read "Gary B. Marek".

Gary B. Marek, REFP
Director of School Facilities
Division of State Funding

**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

District or Charter School Name: May Independent School District
County-District Number: 025-905
District or Charter School Contact Person: Don Rhodes
Address 1: 3400 CR 411 E
Address 2: _____
City: May
Zip Code: 76857
Telephone: (254) 259-2091
Email Address: don.rhodes@netxv.net

Bond Authorization Requested

The maximum bond authorization that may be requested per district or charter school per allocation year is the greater of either:

- 1) \$5,000,000; or
- 2) $\{ \$5,000,000 + [\$500 \times (2009-2010 \text{ Public Education Information Management System student enrollment} - 400)] \}$.

The maximum bond authorization that may be requested per district or charter school per allocation year may be increased by an additional 5 percent if the district or charter school commits to designing and constructing its projects so that they receive certification under a high-performance building standard such as:

- o the Leadership in Energy and Environmental Design (LEED) Green Building Rating System;
- o the Texas Collaborative for High Performance Schools (TX-CHPS) Criteria;
- o the Green Building Initiative's Green Globes criteria; or
- o an equivalent standard adopted by the municipality or county in which the projects are located.

Acknowledgement of intent to design and construct projects so that they receive certification under a high-performance building standard (please check if applicable)

Numeric amount of the bond authorization requested: \$4,600,000
(Example: \$5,250,000)

Written amount of the bond authorization requested: Four Million, Six Hundred Thousand Dollars
(Example: Five million two hundred fifty thousand dollars)

Applicant must commit to spend at least 10 percent of the proceeds within six months and 100 percent of the proceeds within three years of issue of the QSCB bonds:

Anticipated issue date: December 15, 2010
Anticipated amount of funds spent six months after issue: \$1,000,000
Anticipated amount of funds spent three years after issue: \$4,600,000 total spent within three years

**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

County-District Number: 025-905 District or Charter School Name: May Independent School District

Project Description(s)

	CAMPUS NAME	PROJECT TYPE <small>(check one box only for each project)</small>	ESTIMATED COST	NARRATIVE DESCRIPTION
Project 1	District wide use	<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input checked="" type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input type="checkbox"/> Repairs or rehabilitation only	\$1,500,000	Construction of a new competition gym
Project 2	Elementary	<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input checked="" type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input type="checkbox"/> Repairs or rehabilitation only	\$1,500,000	Construction of a new primary school classrooms
Project 3	District wide	<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input checked="" type="checkbox"/> Repairs or rehabilitation only	\$1,508,000	School facility renovations including energy efficiency upgrades.
Project 4		<input type="checkbox"/> New campus <input type="checkbox"/> New campus with land acquisition <input type="checkbox"/> Addition(s) only <input type="checkbox"/> Additions and repairs or rehabilitation <input type="checkbox"/> Repairs or rehabilitation only	\$	
		Issuance costs (if any):	\$92,000	Cannot exceed 2% of the bond authorization amount requested
		TOTAL PROJECT COSTS & ISSUANCE COSTS:	\$4,600,000	Must equal the bond authorization amount requested

This page may be reproduced to provide additional space as needed.

Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010

County-District Number: 025-905 District or Charter School Name: May Independent School District

As used in this application:

- "Agency" means the Texas Education Agency (TEA);
- "Applicant" means the entity eligible to apply for bond authorization. If the application is approved, "applicant" means the entity granted the bond authorization.

Statement of provisions and assurances for the bond authorization requested in this application:

- A. The applicant certifies that 100 percent of the proceeds of the qualified school construction bonds will be used for some or all of the following qualified purposes:
- Construction of public school facilities;
 - Rehabilitation or repair of public school facilities;
 - Acquisition of land on which public school facilities will be constructed with proceeds of issuance;
 - Equipment related to the project(s) constructed or rehabilitated with the proceeds of issuance; or
 - Issuance costs not to exceed 2 percent of total bond proceeds.

Within six months of issuance, the applicant must have entered into contract(s) for use of proceeds equal to 10 percent of issuance. Additionally, 100 percent of the bond proceeds are to be used for a qualified purpose and must be spent within three years of the date of issuance.

B. Debt instruments:

A school district applicant shall issue one or more of the following four types of debt instruments:

- General Obligation Bond - authorized under the authority of the Texas Education Code, Chapter 45, Subchapter A;
- Lease Purchase - authorized under the Texas Local Government Code, §271.004 or §271.005;
- Time Warrant - authorized under the Texas Education Code, §45.103; or
- Maintenance Tax Note - authorized under the Texas Education Code, §45.108.

A charter applicant shall issue only the following type of debt instrument:

- Revenue Bond - as authorized under the Texas Education Code, Chapter 53, Subchapter C.

- C. **Compliance with the Davis-Bacon Act:** The applicant certifies that all laborers and mechanics employed by contractors and subcontractors on projects funded directly by or assisted in whole or in part by and through the federal government pursuant to this authorization shall be paid wages at rates not less than those prevailing on projects of a character similar in the locality as determined by the secretary of labor in accordance with 40 United States Code (USC), Chapter 31, Subchapter IV. With respect to the labor standards specified in this section, the secretary of labor shall have the authority and functions set forth in Reorganization Plan Numbered 14 of 1950 (64 Stat. 1267; 5 USC Appendix) and 40 USC, §3145 (Section 1606).

The applicant certifies that all contracts will include language that acknowledges that all contractors or subcontractors must pay laborers and mechanics employed under the contract no less than locally prevailing wages for corresponding work on similar projects in the area. The U.S. Department of Labor determines locally prevailing wage rates.

Wage determinations: <http://www.access.gpo.gov/davisbacon/>

Texas wage determinations are linked from the following site:

<http://www.access.gpo.gov/davisbacon/TX.html>

- D. The applicant certifies that the applicant will comply with any arbitrage and rebate requirements that may be applicable on governmental tax-exempt bonds.

**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

County-District Number: 025-905 District or Charter School Name: May Independent School District

Statement of provisions and assurances for the bond authorization requested in this application (continued):

- E. No other agreement, written or oral, purporting to alter or amend this application shall be valid.
- F. The applicant certifies that **the person signing this application has been properly delegated this authority.**
- G. In the conduct of the bond authorization, the applicant shall be subject to **Texas State Board of Education rules and commissioner of education rules pertaining to school facilities and the bond authorization and to the laws of the State of Texas governing this bond authorization.** This document constitutes the entire agreement between the agency and the applicant for the bond authorization.
- H. The agency may conduct **desk reviews or on-site monitoring reviews** to determine compliance with the approved application and the applicable statute(s), law(s), regulations, and guidelines.
- I. If the applicant, in the agency's sole determination, fails or refuses for any reason to perform any of its obligations under this contract, **the agency may impose such sanctions as it may deem appropriate.** The cancellation, termination, or suspension of this bond authorization, if imposed, shall become effective at the close of business on the day of the applicant's receipt of written notice thereof from the agency.
- J. The applicant, to the extent permitted by law, shall hold the agency harmless from and shall indemnify the agency against any and all claims, demands, and causes of action of whatever kind or nature asserted by any third party and occurring or in any way incident to, arising from, or in connection with any acts of the applicant, its agents, employees, and subcontractors, done in the conduct of the bond authorization.
- K. **The applicant shall maintain its records and accounts in a manner that assures a full accounting for all funds received and expended by the applicant in connection with the bond authorization.** These records and accounts shall be retained by the applicant and made available for programmatic or financial audit by the agency and by others authorized by law or regulation to make such an audit for a period of not less than five years from the date of the end of debt service. If an audit has been announced, the records shall be retained until such audit has been completed.
- L. The applicant certifies that no funds provided under this bond authorization shall be used to purchase supplies, equipment, or services from any **companies found to be guilty of unfair business practices** within 12 months from the determination of guilt.
- M. The applicant certifies that no funds will be used to pay for **religious worship, instruction, or proselytization**, or for any equipment or supplies for such, or for any construction, remodeling, repair, operation, or maintenance of any facility or part of a facility to be used for religious worship, instruction, or proselytization (34 Code of Federal Regulations, §76.532 and Public Law 107-110, §9505).
- N. The applicant certifies that any construction or major renovation of an existing or new instructional facility using funds obtained by the applicant under this bond authorization shall consider, in the design of the instructional facility, **security criteria developed by the Texas School Safety Center under the Texas Education Code, §37.2051.**


**Texas Education Agency
Qualified School Construction Bond (QSCB) Program Application for 2010**

County-District Number: 025-905 District or Charter School Name: May Independent School District

I certify that to the best of my knowledge, the information in this application is true and correct. I further certify that any ensuing program and activity will be conducted in accordance with all applicable federal and state laws and regulations, application guidelines and instructions, and the statement of provisions and assurances contained herein.

Don Rhodes, Superintendent

Printed Name of Superintendent or Other Authorized District or Charter School Official

X 

Original Signature (Blue Ink Preferred) of Superintendent or Other Authorized District or Charter School Official

X

Date

Please return to: Texas Education Agency
Document Control Center, Room 6-108
ATTN: QSCB
1701 North Congress Avenue
Austin, TX 78701

Fax or email submissions will *not* be accepted. **Completed applications will be considered on a first-come, first-served basis, with an application deadline of 5:00 p.m. (CDT), June 30, 2010.**

Questions? Call Sam Lester of the State Funding Division at (512) 475-2029 or Gary Marek of the State Funding Division at (512) 463-9190.

MAY INDEPENDENT SCHOOL DISTRICT

\$1,000,000

**MAINTENANCE TAX QUALIFIED SCHOOL CONSTRUCTION NOTES
TAXABLE SERIES 2012Q (DIRECT PAY TO ISSUER)**

The following information is included in the transcript submitted to the Office of the Attorney General for the purpose of obtaining Attorney General approval of the issuance of the referenced notes, as required by H.B. 1564, 74th Legislature, Regular Session (Tex. Laws 1995, ch. 383, at 2930).

- A. An additional copy of the Final Official Statement (the "OS") and the following information, if not included in the OS or such memorandum has not been prepared.
1. Name of note issue: May Independent School District Maintenance Tax Qualified School Construction Notes, Taxable Series 2012Q (Direct Payment to Issuer)
 2. a) par amount of issue: \$1,000,000.00
b) dollar amount of bond premium, if any: N/A
c) dollar amount of bond original issue discount, if any: N/A
 3. Dated date: December 1, 2011
 4. Closing date (expected delivery date, on or about): January 6, 2012
 5. By year, maturity amounts, coupon rates, prices or yields: See attached
(If no reoffering yield (NRO) indicated, please provide yield separately.)
 6. Call provisions, including premiums, if any: N/A
 7. Mandatory redemption provisions: See attached
 8. Debt-service schedule, principal and interest, and annual totals, with fiscal year identified: See attached
 9. Use of derivative products associated with financing: N/A
 10. If applicable, schedule of bonds refunded, including, by year, principal amount, coupon, and interest cost: N/A
 11. Pledge: tax (ad valorem, sales, other), revenue, combination: Ad valorem maintenance tax
 12. Type of credit enhancement (including PSF guarantee): N/A
 13. Rating service(s) and rating(s) assigned to issue: N/A
- B. Additional Information
1. Type of sale: Negotiated
 2. Pricing: December 5, 2011
 3. If purchaser of bonds is a governmental entity, such as the Texas Water Development Board, please name purchaser: N/A
 4. If a refunding bond issue, please provide final schedule of cash and present value savings (loss): N/A
 5. If a school district refunding bond issue, and the refunding involves "old debt" per the Texas Education Code, please provide schedule of principal and interest payments of refunding bonds associated with "old debt": N/A

If the same issue also involves "new debt," please provide a schedule of principal and interest payments on the "new debt" portion as well. These two schedules together should equal total debt service by maturity: N/A
 6. CAB's and CIB's – please provide the per annum bond interest rates by maturity as shown in the bond order document: N/A

7. Costs of Issuance – please provide best estimate of costs.
If final costs are significantly different, please submit changes directly to the Texas Bond Review Board. Call (512) 463-1741 or (512) 475-4802 (FAX).

COST OF ISSUANCE

SERVICE	FIRM	ONE-TIME FEE	ANNUAL FEE(a)
		(in dollars)	
Bond Rating	Moody's	N/A	
	S&P	N/A	
	Fitch	N/A	
Other General Costs of Issuance (b)		\$20,000.00	\$750.00
Any Specialized Costs of Issuance (c)		N/A	
Credit Facility (PSF)		N/A	
Bond Insurance		N/A	
Total Underwriting Spread (d)		N/A	
Did underwriter pay rating fee(s)		No	Which one(s)?
Did underwriter pay bond insurance fee?		No	
PARTICIPANTS		FIRM	
Financial Advisor		Government Capital Securities	
Bond Counsel		Andrews Kurth LLP	
Paying Agent/Registrar; Authenticating Agent		BOKF, NA dba Bank of Texas	
Underwriter(s)/Purchaser		Southside Bank	
Underwriters' Counsel		N/A	

- (a) relates to the ongoing fees or recurring costs of a financing for services such as paying agent, remarketing agent, credit provider and other similar services (may be expressed as a formula as appropriate).
- (b) e.g., bond counsel, financial advisor, paying agent, printing, AG approval.
- (c) e.g., remarketing fees, escrow verification fees, etc.
- (d) the cost for marketing and selling the bonds, including takedown, structuring fee, underwriting risk and expenses.

PERSON COMPLETING FORM:

Name: Hoang Vu

Telephone No. 713-220-3879
Fax No. 713.238.7129

Redemption Provisions

THE NOTES ARE NOT subject to optional redemption prior to maturity.

TO THE EXTENT that 100% of the available project proceeds (as defined in Section 54F(e)(4) of the Code) are not expended for purposes set forth in Section 3 of the Resolution by the close of the 3-year period beginning on the date of delivery of the Notes (or if an extension of such expenditure period has been received by the District from the Secretary of the Treasury, by the close of the extended period), the District shall redeem an amount of Notes equal to such unexpended proceeds (rounded up to the next highest authorized denomination) within 90 days after the end of such period, at a redemption price equal to the principal amount thereof, plus any accrued but unpaid interest on the Notes to the date fixed for redemption, payable from such unexpended proceeds held by the District.

UPON A DETERMINATION of a Loss of Qualified School Construction Bond Status, the Notes are subject to extraordinary redemption prior to their maturity date, at the option of the District, in whole, on the date designated by the District, at a redemption price equal to the greater of (a) the principal amount of the Notes to be redeemed; or (b) the sum of the present value of (i) the remaining scheduled payments of principal and interest, not including any portion of those payments of interest accrued and unpaid as of the date on which the Notes are to be redeemed, discounted to the date on which the Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus accrued and unpaid interest on the Notes to be redeemed to the redemption date, and (ii) the present value of the remaining principal discounted to the date on which the Notes are to be redeemed on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at the Treasury Rate, plus 100 basis points.

THE TERM "Qualified Purpose" means the construction, rehabilitation, or repair of a public school facility or the acquisition of land on which such a facility is to be constructed with part of the proceeds of the Notes.

THE TERM "Available Project Proceeds" means proceeds from the sale of the Notes, less costs of issuance not to exceed 2% of such proceeds, plus investment earnings on the proceeds of such Notes pending their expenditure.

THE TERM "Date of Loss of Qualified School Construction Bond Status" means the date specified in a Determination of a Loss of Qualified School Construction Bond Status as the date from and after which the Notes lost their status, or failed to qualify, as Qualified School Construction Bonds as a result of an Accountable Event of Loss of Qualified School Construction Bond Status (defined below), which date could be as early as the date of issuance of the Notes.

THE TERM "Date of Loss of Qualified School Construction Bond Status" means (a) a final determination by the IRS (after the District has exhausted all administrative appeal remedies and has determined not to pursue any remedies in a court of competent jurisdiction) determining that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred and specifying the Date of Loss of Qualified School Construction Bond Status, or (b) a non-appealable holding by a court of competent jurisdiction holding that an Accountable Event of Loss of Qualified School Construction Bond Status has occurred.

THE TERM "Accountable Event of Loss of Qualified School Construction Bond Status" means (a) any act or any failure to act on the part of the District, which act or failure to act is a breach of a covenant or agreement of the District contained in the Resolution, the Paying Agent Agreement, or the Notes and which act or failure to act causes the Notes to lose their status, or fail to qualify, as Qualified School Construction Bonds, (b) the making by the District of any representation contained in the Resolution, the Paying Agent Agreement, the Federal Tax Certificate, or the Notes, which representation was untrue when made and the untruth of which representation at such time causes the Notes to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

MOUNTAIN VIEW INDEPENDENT SCHOOL DISTRICT

Maintenance Tax Notes, Taxable Series 2012(QSCB)

1/6/2012

Tax Credit Rate 5.06% Set on 12/5/2011

Dates	Principal Amount	Coupon Rate	Interest Amount	Total Debt Service	Tax Credit Rate	Federal Rebate Amount	Net Rate to MISD	Net Interest Cost to MISD	Net Total Debt Service	Net Fiscal Year Debt Service
12/15/2012	\$66,000	5.16	\$48,590.00	\$114,590.00	5.06	\$47,648.33	0.10	\$941.67	\$66,941.67	\$66,941.67
12/15/2013	\$66,000	5.16	\$48,194.40	\$114,194.40	5.06	\$47,260.40	0.10	\$934.00	\$66,934.00	\$66,934.00
12/15/2014	\$66,000	5.16	\$44,788.80	\$110,788.80	5.06	\$43,920.80	0.10	\$868.00	\$66,868.00	\$66,868.00
12/15/2015	\$66,000	5.16	\$41,383.20	\$107,383.20	5.06	\$40,581.20	0.10	\$802.00	\$66,802.00	\$66,802.00
12/15/2016	\$66,000	5.16	\$37,977.60	\$103,977.60	5.06	\$37,241.60	0.10	\$736.00	\$66,736.00	\$66,736.00
12/15/2017	\$67,000	5.16	\$34,572.00	\$101,572.00	5.06	\$33,902.00	0.10	\$670.00	\$67,670.00	\$67,670.00
12/15/2018	\$67,000	5.16	\$31,114.80	\$98,114.80	5.06	\$30,511.80	0.10	\$603.00	\$67,603.00	\$67,603.00
12/15/2019	\$67,000	5.16	\$27,657.60	\$94,657.60	5.06	\$27,121.60	0.10	\$536.00	\$67,536.00	\$67,536.00
12/15/2020	\$67,000	5.16	\$24,200.40	\$91,200.40	5.06	\$23,731.40	0.10	\$469.00	\$67,469.00	\$67,469.00
12/15/2021	\$67,000	5.16	\$20,743.20	\$87,743.20	5.06	\$20,341.20	0.10	\$402.00	\$67,402.00	\$67,402.00
12/15/2022	\$67,000	5.16	\$17,286.00	\$84,286.00	5.06	\$16,951.00	0.10	\$335.00	\$67,335.00	\$67,335.00
12/15/2023	\$67,000	5.16	\$13,828.80	\$80,828.80	5.06	\$13,560.80	0.10	\$268.00	\$67,268.00	\$67,268.00
12/15/2024	\$67,000	5.16	\$10,371.60	\$77,371.60	5.06	\$10,170.60	0.10	\$201.00	\$67,201.00	\$67,201.00
12/15/2025	\$67,000	5.16	\$6,914.40	\$73,914.40	5.06	\$6,780.40	0.10	\$134.00	\$67,134.00	\$67,134.00
12/15/2026	\$67,000	5.16	\$3,457.20	\$70,457.20	5.06	\$3,390.20	0.10	\$67.00	\$67,067.00	\$67,067.00
Total	\$1,000,000		\$411,080.00	\$1,411,080.00		\$403,113.33		\$7,966.67	\$1,007,966.67	\$1,007,966.67

Sources of Funds:

Qualified School Construction Bonds	\$1,000,000
Issuer Contribution	<u>\$10,000</u>
Total Sources	\$1,010,000

Uses of Funds:

Deposit to Construction Fund	\$980,000
Placement Agent- GCSC	\$20,000
Bond Counsel- Andrews Kurth LLP	\$9,000
Attorney General	<u>\$1,000</u>
Total Uses	\$1,010,000