

**\$3,600,000**

**MAY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS,  
TAXABLE SERIES 2011**

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## CERTIFICATE FOR ORDER

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

1. The Board of Trustees of the District (the "Board") convened in regular meeting on the 9<sup>th</sup> day of March, 2011, at the designated meeting place (the "Meeting"), and the roll was called of the duly constituted officers and members of the Board, to-wit:

Ada Turner, President  
Kevin Mote, Vice President  
Kathryn Lord, Secretary

Bo Allen, Trustee  
Joe Crume, Trustee  
Jeff Hoskinson, Trustee

Jeff Phillips, Trustee

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

AN ORDER CALLING A BOND ELECTION; PROVIDING FOR THE CONDUCT  
AND THE GIVING OF NOTICE OF SAID ELECTION; AND RESOLVING OTHER  
MATTERS RELATED THERETO

(the "Order") was duly introduced for the consideration of the Board and read in full. It was then duly moved and seconded that the Order be passed; and, after due discussion, said motion, carrying with it the passage of the Order, prevailed and carried by the following votes:

AYES: 6      NOES: 0      ABSTENTIONS: 0

2. A true, full, and correct copy of the Order passed at the Meeting is attached to and follows this Certificate; the Order has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Order would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by Chapter 551, Texas Government Code, as amended.

*[Signatures follow]*

SIGNED AND SEALED this June 29, 2011.

  
\_\_\_\_\_  
Secretary, Board of Trustees

  
\_\_\_\_\_  
President, Board of Trustees

(DISTRICT SEAL)

AN ORDER CALLING A BOND ELECTION; PROVIDING FOR THE  
CONDUCT AND THE GIVING OF NOTICE OF SAID ELECTION; AND  
RESOLVING OTHER MATTERS RELATED THERETO

WHEREAS, the Board of Trustees (the "Board") of the May Independent School District, located in Brown and Comanche Counties, Texas (the "District") finds and determines that it is necessary and advisable to call and hold the election hereinafter ordered pursuant to Subchapter A, Chapter 45, Texas Education Code, as amended, and the Texas Election Code, as amended; and

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

**Section 1.** The statements contained in the preamble of this Order are true and correct and adopted as findings of fact.

**Section 2.** An election shall be held on May 14, 2011, a uniform election date, in the District, which date is 62 or more days from the date of this Order, at which election the following propositions shall be submitted in accordance with law:

PROPOSITION 1

"Shall the Board of Trustees of the May Independent School District be authorized to issue and sell bonds of the District not to exceed the total principal amount of \$3,600,000 for the construction, acquisition, and equipment of school buildings in the District; and may the Board of Trustees levy, pledge, assess, and collect annual ad valorem taxes on all taxable property in the District, sufficient, without limit as to rate or amount, to pay the principal of and interest on such bonds as the principal and interest become due; said bonds to be issued in one or more series or issues, to mature serially or otherwise, not more than 40 years from their date, and to bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, as the Board of Trustees in its discretion shall determine?"

**Section 3.** The school election precincts hereby established for the purpose of holding the election, the polling places hereby designated for holding the election in the school election precincts, and the Presiding Judges and the Alternate Presiding Judges hereby appointed for holding the election in the school election precincts are identified in Exhibit "A" to this Order, and this exhibit is incorporated by reference for all purposes. At least 63 days prior to the election date, the Superintendent of Schools or his designee will identify and formally approve the appointment of the Presiding Judges, Alternate Presiding Judges, Election Clerks, and all other election officials for this election, together with any other necessary changes to election practices and procedures.

The Presiding Judge named in Exhibit "A" shall appoint not less than two resident qualified voters of the District to act as clerks in order to properly conduct the election. To the extent required by the Texas Election Code, as amended, or other applicable law, the appointment of these clerks must include a person fluent in the Spanish language to serve as a clerk to render oral aid in the Spanish language to any voter desiring such aid at the polls on election day. If the Presiding Judge appointed actually serves, the Alternate Presiding Judge shall serve as one of the

clerks. In the absence of the Presiding Judge, the Alternate Presiding Judge shall perform the duties of the Presiding Judge of the election precinct.

On election day, the polls shall be open as designated on Exhibit "A".

The main early voting location is designated in Exhibit "B". The individual named as the Early Voting Clerk as designated in Exhibit "B" hereto is hereby appointed as the Early Voting Clerk to conduct such early voting in the election. The Early Voting Clerk shall appoint the Deputy Early Voting Clerks. This office or place shall remain open to permit early voting each day with the exception of Saturdays, Sundays, and official State holidays as stated in Exhibit "B". Early voting shall commence as provided on Exhibit "B" and continue through the date set forth on Exhibit "B" all as provided by the provisions of the Texas Election Code.

An Early Voting Ballot Board is hereby established for the purpose of processing early voting results. The individual designated in Exhibit "B" as the Presiding Judge of the Early Voting Ballot Board is hereby appointed the Presiding Judge of the Early Voting Ballot Board. The Presiding Judge shall appoint not less than two resident qualified voters of the District to serve as members of the Early Voting Ballot Board.

**Section 4.** Voting machines may be used in holding and conducting the election on election day; provided, however, that if the use of voting machines is not practicable, then in that event, electronic voting devices may be used in conducting the election on election day; provided, however, in the event the use of such electronic voting devices is not practicable; the election may be conducted on election day by the use of paper ballots (except as otherwise provided in this section). Voting machines or paper ballots may be used for early voting by personal appearance (except as otherwise provided in this section). Pursuant to Section 61.012, as amended, Texas Election Code, the District shall provide at least one accessible voting system in each polling place used in the election. Such voting system shall comply with Texas and federal laws establishing the requirement for voting systems that permit voters with physical disabilities to cast a secret ballot. Paper ballots may be used for early voting by mail.

**Section 5.** The official ballot shall be prepared in accordance with the provisions of the Texas Election Code, as amended, so as to permit voters to vote "FOR" or "AGAINST" the aforesaid propositions which shall appear on the ballot substantially as follows:

#### PROPOSITION 1

THE ISSUANCE OF BONDS IN THE AMOUNT OF \$3,600,000 FOR THE  
CONSTRUCTION, ACQUISITION, AND EQUIPMENT OF SCHOOL  
BUILDINGS AND THE LEVYING OF A TAX IN PAYMENT THEREOF.

**Section 6.** All resident, qualified voters of the District shall be permitted to vote at the election, and, on the day of the election, such voters shall vote at the designated polling places. The election shall be held and conducted in accordance with the provisions of the Texas Election Code, as amended, except as modified by the provisions of the Texas Education Code, as amended, and as may be required by law. To the extent required by law, all election materials and proceedings shall be printed in both English and Spanish.

**Section 7.** A substantial copy of this Order shall serve as proper notice of the election. This notice, including a Spanish translation thereof, shall be published at least one time in a

newspaper of general circulation in the District, and the publication of this notice of election shall occur in such newspaper not more than 30 days and not less than 10 days before the day of the election. Additionally, this notice shall be posted on the bulletin board used for posting notices of District meetings not later than 21 days prior to election day.

**Section 8.** It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

PASSED AND APPROVED, this 9<sup>th</sup> day of March, 2011.



/s/ Ada Turner

President, Board of Trustees  
May Independent School District

ATTEST:



/s/ Kathryn Lord

Secretary, Board of Trustees  
May Independent School District

(District Seal)

**EXHIBIT A**  
May 14, 2011  
POLLING LOCATIONS

Election Day Polling Locations open from 7 a.m. to 7 p.m.

<u>Presiding Judges</u>	Alternate	<u>Polling Places</u>
Grace Hefner	<u>Presiding Judges</u>	May Community Center
		19150 North Highway 183
		May, Texas 76857

## **EXHIBIT B**

### **MAIN AND PERMANENT EARLY VOTING POLLING PLACES, DATES, AND TIMES**

Early voting begins May 2, 2011 and ends May 10, 2011

Early Voting Clerk: Suzy Young

Early Voting Clerk's address: P.O. Box 700, Brownwood, Texas

Presiding Judge of the Early Voting Ballot Board:

<u>Date</u>	<u>Location</u>	<u>Address</u>	<u>Time</u>
Monday, May 2, 2011 through Friday, May 6, 2011	Adams Street Community Center	511 East Adams Street Brownwood, Texas 76801	8:30 a.m. to 5:00 p.m.
Monday, May 9, 2011 and Tuesday, May 10, 2011	Adams Street Community Center	511 East Adams Street Brownwood, Texas 76801	7:00 a.m. to 7:00 p.m.

#### **Address for Early Application for Early Voting by Mail**

Suzy Young, Brown County Elections Administrator

P.O. Box 700, Brownwood, Texas 76801

AFFIDAVIT OF PUBLICATION

STATE OF TEXAS §

COUNTY OF COMANCHE §

BEFORE ME, the undersigned authority, on this day, personally appeared JAMES WILKERSON, an authorized officer or employee of COMANCHE CHIEF (the "Newspaper"), who being by me duly sworn, upon oath deposes and says:

The attached Notice was published in the Newspaper on APRIL 28, 2011, and the attached newspaper clipping is a true and correct copy of said published notice.

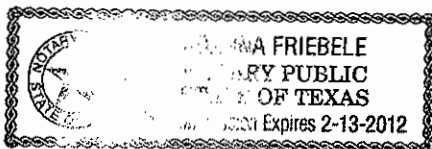
The Newspaper meets the qualifications set out in section 2051.044, Texas Government Code, as follows:

1. Devotes not less than 25% of its total column lineage to general interest items;
2. Is published at least once a week;
3. Is entered as second-class postal matter in COMANCHE County where published; and
4. Has been published regularly and continuously at least 12 months before the date of the publication of the notice to which this Affidavit relates.

The Newspaper is of general circulation in the territory of the jurisdiction of May Independent School District.

By: James Wilkerson  
Authorized Officer or Employee

SWORN TO AND SUBSCRIBED BEFORE ME, this 7 day of JULY, 2011.



(NOTARY SEAL)

Joanna Friebele  
Notary Public, State Texas

NOTICE TO THE QUALIFIED VOTERS OF MAY INDEPENDENT SCHOOL DISTRICT AND ALL OTHER INTERESTED PERSONS:

(Aviso a los votantes condicionados del distrito escolar independiente de May y todas las demás personas interesadas:)

Notice is hereby given that the following election will be held within and for May Independent School District (the "District") between the hours of 7:00 a.m. and 7:00 p.m. on May 14, 2011.

(El aviso se da por este medio la siguiente eleccion se llevará a cabo dentro y para el distrito escolar independiente de May (el "Distrito") entre las horas de 7:00 a.m. a 7:00 p.m. el 14 de mayo de 2011.)

**Bond Election.** An election shall be held to authorize the Board of Trustees of the District to issue bonds up to the amount and for the purposes set out in the following proposition and to provide for the payment of any such bonds as set out in such proposition.

(**Elección de Bonos** Una eleccion se llevará a cabo para autorizar a la Junta de Administradores del distrito para la emision de bonos hasa y por la cantidad y para los fines establecidos en la siguiente proposición, y para el pago de cualquier tipo de obligaciones que figuran en tal proposición.)

**PROPOSITION**

"Shall the Board of Trustees of the May Independent School District be authorized to issue and sell bonds of the District not to exceed the total principal amount of \$3,600,000 for the construction, acquisition, and equipment of school buildings in the District; and may the Board of Trustees levy, pledge, assess, and collect annual ad valorem taxes on all taxable property in the District, sufficient, without limit as to rate or amount, to pay the principal of and interest on such bonds as the principal and interest become due; said bonds to be issued in one or more series or issues, to mature serially or otherwise, not more than 40 years from their date, and to bear interest at such rate or rates, not to exceed the respective limits prescribed by law at the time of issuance, as the Board of Trustees in its discretion shall determine?"

(*¿Estará la Junta de Administradores del Distrito Escolar Independiente de May (May Independent School District) autorizada para emitir y vender bonos del Distrito a no exceder el total capital agregado de \$3,600,000, para la construcción, adquisición y equipamiento de instalaciones escolares en el Distrito; y podrá la Junta de Administradores imponer, pignorar, causar y cobrar impuestos ad valorem anuales sobre toda propiedad sujeta a impuestos en el Distrito, suficientes, sin limitaciones con respecto a tasa o cantidad, para pagar el capital e intereses sobre dichos bonos a cumplimiento de los términos y plazos; dichos bonos a ser emitidos en una o mas series o emisiones, a vencer en serie o de otra forma, a no exceder 40 años a partir de la fecha de emisión, y acumulando intereses a una tasa o tasas a no exceder los límites respectivos prescritos por ley a la fecha de su emisión, como la Junta de Administradores a su discreción determine?")*

The official ballots for said election shall be prepared in accordance with the Texas Election Code, so as to permit the electors to vote "For" or "Against" the aforesaid proposition, which shall be set forth substantially as follows:

(*El documento oficial del voto será preparado de conformidad con las disposiciones del Código Electoral de Texas, como enmendado, como para permitir que los votantes voten "A FAVOR" o "EN CONTRA" de las proposiciones antedichas que aparezcan en el documento oficial del voto, sustancialmente de la siguiente forma:*)

**PROPOSITION**

THE ISSUANCE OF BONDS IN THE AMOUNT OF \$3,600,000 FOR THE CONSTRUCTION, ACQUISITION, AND EQUIPMENT OF SCHOOL BUILDINGS IN THE DISTRICT AND THE LEVYING OF A TAX IN PAYMENT THEREOF.

(LA EMISIÓN DE BONOS POR LA SUMA DE \$3,600,000 PARA LA CONSTRUCCIÓN, ADQUISICIÓN Y EQUIPAMIENTO DE INSTALACIONES ESCOLARES EN EL DISTRITO Y LA IMPOSICIÓN DE IMPUESTOS EN EL PAGO DEL MISMO.)

Each voter shall vote on the proposition by placing an "X" in the square beside the statement indicating the way he wishes to vote.

(Cada votante votara en la proposición colocando una "X" enel cuadro al lado de la declaración indicando la manera que el votante desea votar.)

**Procedures for the Elections.** For the Bond Election, polling shall be conducted at the regular voting precincts and at the polling places as follows:

(*Procedimientos para las elecciones.* Para la elección de bonos, la votación se llevará a cabo en los precinctos regulares, en los lugares de votacán, y con los oficiales de la elección de la siguiente manera:)

AFFIDAVIT OF POSTING NOTICE

THE STATE OF TEXAS

COUNTIES OF BROWN AND COMANCHE

§  
§  
§  
§

MAY INDEPENDENT SCHOOL DISTRICT

Before me, the undersigned authority, personally appeared Don Rhodes, the Superintendent of the May Independent School District, who after being by me duly sworn, did depose and say that on the 14 day of March, 2011, such person personally posted a true and correct copy of the "NOTICE OF BOND ELECTION", in English and Spanish, hereto attached, on the bulletin board used for posting notices of the meetings of the Board of Trustees located within the territory of the May Independent School District, to wit:

May Independent School District  
Administrative Building  
3400 CR 411 E  
May, Texas 76857

WITNESS MY HAND this July 15, 2011.

Don Rhodes

SWORN TO AND SUBSCRIBED before me this 15 day of July, 2011.

Shannon Davis  
Notary Public in and for the State of Texas

(NOTARY SEAL)



CERTIFICATE FOR ORDER

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

1. The Board of Trustees of the District (the "Board") convened in regular meeting on the 18<sup>th</sup> day of May, 2011, at the designated meeting place (the "Meeting"), and the roll was called of the duly constituted officers and members of the Board, to-wit:

Ada Turner, President  
Kevin Mote, Vice President  
Kathryn Lord, Secretary

Joe Crume, Trustee  
Jeff Hoskinson, Trustee  
Bo Allen, Trustee

Jeff Phillips, Trustee

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

ORDER CANVASSING ELECTION RETURNS

(the "Order") was duly introduced for the consideration of the Board and read in full. It was then duly moved and seconded that the Order be passed; and, after due discussion, said motion, carrying with it the passage of the Order, prevailed and carried by the following votes:

AYES: 6      NOES: 0      ABSTENTIONS: 0

2. A true, full, and correct copy of the Order passed at the Meeting is attached to and follows this Certificate; the Order has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Order would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by Chapter 551, Texas Government Code, as amended.

*[Signatures follow]*

SIGNED AND SEALED this June 29, 2011.



Secretary, Board of Trustees



President, Board of Trustees

(DISTRICT SEAL)

## ORDER CANVASSING ELECTION RETURNS

WHEREAS, the Board of Trustees of the May Independent School District (the "District") ordered an election to be held in the District on May 14, 2011, on the PROPOSITION 1 hereinafter stated;

WHEREAS, the Board of Trustees of the District (the "Board") has investigated all matters pertaining to said election, including the ordering, giving notice, officers, holding, and making returns of said election; and

WHEREAS, the election officers who held said election have duly made the returns of the result thereof, and said returns have been duly delivered to the Board.

THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF MAY INDEPENDENT SCHOOL DISTRICT THAT:

1. The Board officially finds, determines, and declares that said election was duly and properly ordered; that proper legal notice of said election was duly given in the English language and the Spanish language (to the extent required by law); that proper election officers were duly appointed prior to said election; that said election was duly and legally held; that all resident, qualified voters of the District were permitted to vote at the election, that the District has complied with the federal Voting Rights Act and the Texas Election Code; that due returns of the result of said election have been made and delivered; and the Board has duly canvassed said returns, all in accordance with law and the Order calling said election.

2. The Board officially finds and determines that the following votes were cast at said election on the submitted PROPOSITION 1 by the resident, qualified electors of the District, who voted at the election:

	<u>PROPOSITION 1</u>		
<u>VOTES</u>	<u>FOR</u>	<u>AGAINST</u>	<u>PROPOSITION 1</u>
EARLY	<u>66</u>	<u>47</u>	THE ISSUANCE OF BONDS IN THE AMOUNT OF \$3,600,000 FOR THE CONSTRUCTION, ACQUISITION, AND EQUIPMENT OF SCHOOL BUILDINGS AND THE LEVYING OF A TAX IN PAYMENT THEREOF.
ELECTION DAY	<u>156</u>	<u>150</u>	
PROVISIONAL	<u>-0-</u>	<u>-0-</u>	
TOTAL	<u>222</u>	<u>197</u>	

3. A majority of the resident, qualified voters of the May Independent School District voting in such election, having voted FOR the authorization and issuance of \$3,600,000 of bonds and the levy and pledge of the tax in payment thereof as provided in Proposition 1, the Board hereby finds and determines that this Proposition 1 carried at the election, that the election was duly called, that proper notice was given, that the election was held in all aspects in conformity with the law, and that the Board is hereby accordingly authorized to issue the bonds and to levy the tax in accordance with the authority granted in this Proposition 1 and with law.

\* \* \*



U.S. Department of Justice  
Civil Rights Division

TCH:RSB:RPL:BJW:par  
DJ 166-012-3  
2011-1272

*Voting Section - NWB  
950 Pennsylvania Avenue, NW  
Washington, DC 20530*

May 10, 2011

Andrew D. Clark, Esq.  
Powell & Leon  
1706 West Sixth Street  
Austin, Texas 78703-4703

Dear Mr. Clark:

This refers to the procedures for conducting the May 14, 2011, special bond and tax election for the May Independent School District in Brown and Comanche Counties, Texas, submitted to the Attorney General pursuant to Section 5 of the Voting Rights Act of 1965, 42 U.S.C. 1973c. We received your submission on April 4, 2011.

The Attorney General does not interpose any objection to the specified change. However, we note that Section 5 expressly provides that the failure of the Attorney General to object does not bar subsequent litigation to enjoin the enforcement of the change. In addition, as authorized by Section 5, we reserve the right to reexamine this submission if additional information that would otherwise require an objection comes to our attention during the remainder of the sixty-day review period. Procedures for the Administration of Section 5 of the Voting Rights Act of 1965, 28 C.F.R. 51.41 and 51.43.

Sincerely,

T. Christian Herren, Jr.  
Chief, Voting Section

## CERTIFICATE FOR ORDER

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

1. The Board of Trustees of the District (the "Board") convened in regular meeting on the 29<sup>th</sup> day of June, 2011, at the regular designated meeting place (the "Meeting"), and the roll was called of the duly constituted officers and members of the Board, to-wit:

Ada Turner, President  
Kevin Mote, Vice President  
Kathryn Lord, Secretary  
Jeff Phillips, Trustee

Jeff Hoskinson, Trustee  
Joe Crume, Trustee  
Bo E. Allen, Trustee

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

ORDER AUTHORIZING THE ISSUANCE OF "MAY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2011"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING A PURCHASE CONTRACT, A PAYING AGENT/REGISTRAR AGREEMENT, AND OTHER MATTERS RELATED THERETO

(the "Order") was duly introduced for the consideration of the Board. It was then duly moved and seconded that the Order be passed; and, after due discussion, said motion, carrying with it the passage of the Order, prevailed and carried by the following votes:

AYES: 6 NOES: 0 ABSTENTIONS: 0

2. A true, full, and correct copy of the Order passed at the Meeting is attached to and follows this Certificate; the Order has been duly recorded in the Board's minutes of the Meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the Meeting, and that the Order would be introduced and considered for passage at the Meeting, and each of the officers and members consented, in advance, to the holding of the Meeting for such purpose; and the Meeting was open to the public, and public notice of the time, place, and purpose of the Meeting was given all as required by Chapter 551, Texas Government Code, as amended.

*[Signatures follow]*

SIGNED AND SEALED this June 29, 2011.



Secretary, Board of Trustees



President, Board of Trustees

(SEAL)

ORDER AUTHORIZING THE ISSUANCE OF "MAY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2011"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF SUCH BONDS; AUTHORIZING A PURCHASE CONTRACT, A PAYING AGENT/REGISTRAR AGREEMENT, AND OTHER MATTERS RELATED THERETO

WHEREAS, the May Independent School District (the "District") has been organized, created, and established pursuant to the laws of the State of Texas as an independent school district and political subdivision of the State of Texas, and operates pursuant to the Texas Education Code, as amended;

WHEREAS, at an election duly called and held for and within the District for such purposes on May 14, 2011, the duly qualified resident electors of the District authorized the Board of Trustees of the District (the "Board") to issue bonds of the District with the terms and for the purposes of providing money for the construction, acquisition, renovation, and equipment of school buildings in the District in the maximum amount of \$3,600,000 (the "2011 Authorization") and to provide for the payment of the principal of and interest on such bonds from the sources and in the manner described in the order calling the election;

WHEREAS, the Board has not previously issued bonds under the 2011 Authorization and now deems it to be in the best interest of the District to issue bonds in the amount of \$3,600,000 of the 2011 Authorization as herein described;

WHEREAS, after issuance of the Bonds there will remain no authorized but unissued bonds of the 2011 Authorization;

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 bonds 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, acquisition, and equipment of school buildings; and

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

**Section 1. Authorization of the Bonds.** There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly Chapter 45, Texas Education Code, as amended, and sections 54F and 6431 of the Code, a series of bonds of the District to be known as "MAY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2011" in the total amount of \$3,600,000 (the "Bonds"), payable from ad valorem taxes as provided in this Order, for the purposes described in the "Form of Bonds" contained in Section 3 hereof.

**Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Bonds.** The Bonds shall be dated July 22, 2011. The Bonds, composed of the principal and interest component and the associated tax credit, shall bear interest at the rates set forth below from the later of the date of delivery to the purchaser, or the most recent Interest Payment Date. The Bonds shall be in the denominations and principal amounts hereinafter stated, numbered I-1 for the Initial Bond (hereinafter defined) and consecutively from R-1 upward for the definitive Bonds, payable to the Initial Purchaser

(hereinafter defined), or to the registered assignee or assignees of the Bonds or any portion or portions thereof (in each case, the "Registered Owner").

The Bonds shall mature on July 15 in each of the years and in the amounts and bear interest as set forth in the following schedule:

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL MATURING</u>	<u>INTEREST RATE</u>
2012	\$237,000	5.38%
2013	238,000	5.38
2014	238,000	5.38
2015	238,000	5.38
2016	239,000	5.38
2017	239,000	5.38
2018	240,000	5.38
2019	240,000	5.38
2020	240,000	5.38
2021	241,000	5.38
2022	241,000	5.38
2023	242,000	5.38
2024	242,000	5.38
2025	242,000	5.38
2026	243,000	5.38

**Section 3. General Characteristics and Form of the Bonds.** The Bonds shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Bonds shall be sealed) all as provided, and in the manner indicated, in the form set forth below. The Form of the Bonds, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on the Initial Bond, the Form of the Authentication Certificate, the Form of Statement of Permanent School Fund Guarantee, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Order, and the definitions contained with each such form shall apply solely to such form:

#### FORM OF BONDS

United States of America  
State of Texas

MAY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BOND, TAXABLE SERIES 2011

[FORM OF THE DEFINITIVE BONDS]

NUMBER R- REGISTERED			DENOMINATION \$ REGISTERED
INTEREST RATE %	ISSUE DATE , 2011	MATURITY DATE	CUSIP NO.

REGISTERED OWNER:

PRINCIPAL AMOUNT: \$

MAY INDEPENDENT SCHOOL DISTRICT (the "District"), a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the "Registered Owner") on the Maturity Date, specified above, upon presentation and surrender of this Bond at the designated payment office of BOKF, NA, d/b/a Bank of Texas, Austin, Texas, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Issue Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Bond is payable by check on July 15, 2012 and each July 15 thereafter, mailed to the Registered Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the record date (the "Record Date") which is the last business day of the month next preceding the interest payment date or in such other manner as may be acceptable to the Registered Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the District and the Paying Agent/Registrar, the Registered Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. CUSIP number identification, if any, with appropriate dollar amount of payment pertaining to each CUSIP number (if more than one CUSIP number) must accompany all payments of interest and principal, whether by check or wire transfer. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Registered Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The District covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bond, when due, in the manner set forth in the Order defined below.

THIS BOND is one of a series of Bonds, dated as of July 22, 2011 (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Order adopted by the Board of Trustees of the District on June 29, 2011 (the "Order"), in the original aggregate principal amount of \$3,600,000 for the purpose of providing money for the construction, acquisition, and equipment of school buildings and costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 45, Texas Education Code, as amended, and in accordance with section 54F of the Internal Revenue Code (the "Code").

THE DISTRICT reserves the right, at its option, to redeem the Bonds maturing on or after July 15, 2022 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on July 15, 2021 or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bond or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

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 above by the close of the 3-year period beginning on the date of delivery of the Bonds (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 Bonds 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 Bonds to the date fixed for redemption, payable from such unexpended proceeds held by the District.

UPON THE OCCURRENCE of an Extraordinary Event (as defined below), the Bonds are subject to special optional redemption, at the option of the District, prior to their maturity date, in whole or in part, on the date designated by the District at the Make Whole Redemption Price.

The "Make-Whole Redemption Price" means the amount equal to the greater of the following:

1. The initial offering price of the Bonds set forth above (but not less than 100% of the principal amount of the Bonds to be redeemed) or
2. The sum of the present value of the remaining scheduled payments of principal and interest on the Bonds to be redeemed to the maturity date of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semiannual basis, assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus in each case accrued interest on the Bonds to be redeemed to the redemption date.

For the purpose of determining the Make-Whole Redemption Price, "Treasury Rate" means, with respect to any redemption date for a particular Bond, 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) (the "Statistical Release") that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if the 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 Bonds to be redeemed; provided, however that if the period from the redemption date to the 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 shall be used.

The term "Extraordinary Event" means (a) a final determination by the Internal Revenue Service ("IRS") (after the District has exhausted all administrative appeal remedies) 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; (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 and specifying the Date of Loss of Qualified School Construction Bond Status; (c) the occurrence of a material adverse change under Section 54F or 6431 of the Code; (d) the publication by the IRS or the United States Treasury of any guidance with respect to such sections; or (e) any other determination by the IRS or the United States Treasury, which determination is not the result of a failure of the District to satisfy certain requirements of the Order, if as a result of an event as described in (c), (d), or (e) of this sentence, the Subsidy Payments expected to be received with respect to the Bonds are eliminated or reduced, as reasonably determined by the Superintendent of the District or his designee, which determination shall be conclusive.

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 Order or the Bonds and which act or failure to act causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (b) the making by the District of any representation contained in the Order or the Bonds, which representation was untrue when made and the untruth of which representation at such time causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

The Make-Whole Redemption Price will be determined by an independent accounting firm, investment banking firm, or financial advisor retained by and at the expense of the Issuer to calculate such redemption price. The determination of the Make-Whole Redemption Price by such independent accounting firm, investment banking firm, or financial advisor shall be conclusive and binding on the Issuer and the Bondholders and the Paying Agent/Registrar and the Issuer will be permitted to conclusively rely on such determination.

IF A BOND subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

NOTICE OF ANY REDEMPTION identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar upon direction of the District at least 30 days but not more than 60 days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed, in whole or in part, at the address shown on the Register. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, such Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

THE BONDS are issued pursuant to the Order whereunder the District covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the District, without legal limitation as to rate or amount, for each year while any part of the Bonds are considered outstanding under the provisions of the Order, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal of the Bonds when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Order for provisions with respect to the custody and application of the District's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be 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 Order. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order. The Registered Owner of this Bond shall be deemed and treated by the District and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including

payment and discharge of liability upon this Bond to the extent of such payment, and the District and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds by the levy of a continuing, direct, annual ad valorem tax upon taxable property within the District; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Order constitute a contract between each Registered Owner and the District.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the 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, and the official seal of the District has been duly impressed, or placed in facsimile, on this Bond.

MAY INDEPENDENT SCHOOL DISTRICT

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
Secretary, Board of Trustees

XXXXXXXXXXXXXXXXXXXXXXXXXXXXX  
President, Board of Trustees

(DISTRICT'S SEAL)

The Initial Bond shall be in the form set forth above for the Definitive Bond, except the following shall replace the heading and the first paragraph:

NO. I-1 \$3,600,000

United States of America  
State of Texas

MAY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BOND, TAXABLE SERIES 2011

Issue Date: JULY 22, 2011

Registered Owner: FIRST FINANCIAL BANK, N.A.

Principal Amount: THREE MILLION SIX HUNDRED THOUSAND DOLLARS (\$3,600,000)

MAY INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the

registered assigns thereof (the "Registered Owner"), the Principal Amount, specified above, with principal installments payable on July 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEAR OF</u> <u>STATED MATURITIES</u>	<u>PRINCIPAL</u> <u>INSTALLMENTS</u>	<u>INTEREST</u> <u>RATE</u>
	\$	%
(Information to be inserted from schedule in Section 2 hereof.)		

INTEREST on the unpaid Principal Amount hereof from the Issue Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on July 15 of each year, commencing July 15, 2012.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment trust office of BOKF, NA, d/b/a Bank of Texas, Austin, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the Registration Books kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the District required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Registered Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The District covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the Order defined below.

FORM OF REGISTRATION CERTIFICATE OF THE COMPTROLLER  
OF PUBLIC ACCOUNTS (TO BE PRINTED ON OR ATTACHED TO THE INITIAL BOND)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

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

Witness my signature and seal this \_\_\_\_\_.

(COMPTROLLER'S SEAL)

\_\_\_\_\_  
Comptroller of Public Accounts of the  
State of Texas

FORM OF AUTHENTICATION CERTIFICATE (TO BE PRINTED OR ATTACHED TO THE  
DEFINITIVE BONDS)

AUTHENTICATION CERTIFICATE

It is hereby certified that this Bond has been issued under the provisions of the Order described on the face of this Bond; and that this Bond has been issued in conversion of and exchange for or replacement of a bond, bonds, or a portion of a bond or bonds of an issue which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

BOKF, NA, d/b/a Bank of Texas, Austin, Texas  
as Paying Agent/Registrar

Dated \_\_\_\_\_

By \_\_\_\_\_  
Authorized Representative

FORM OF STATEMENT OF PUBLIC SCHOOL FUND GUARANTEE

STATEMENT OF PUBLIC SCHOOL FUND GUARANTEE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the May Independent School District of its Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the Bonds.

In witness thereof, I have caused my signature to be placed in facsimile on this bond.

\_\_\_\_\_  
/s/ Robert Scott  
ROBERT SCOTT  
Commissioner of Education  
State of Texas

FORM OF ASSIGNMENT

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

\_\_\_\_\_/

(Please insert Social Security or Taxpayer  
Identification of Transferee)

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

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

Dated: \_\_\_\_\_

Signature Guaranteed:

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

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

The following abbreviations, when used in the Assignment above or on the face of the within Bond, shall  
be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the list above.

[END OF FORMS]

In case any officer of the District whose manual or facsimile signature shall appear on any Bond shall cease to be such officer before the delivery of any such Bond, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Bond which bears the facsimile signature of such person who at the actual time of the delivery of such Bond shall be an officer authorized to sign such Bond, but who at the date of such Bonds was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Bond. The District authorizes the printing of a true and correct copy of an opinion of Naman Howell Smith & Lee, PLLC, and Powell & Leon, L.L.P., Attorneys, relating to the validity and enforceability of the Bonds under Texas law on the reverse side of each of the Bonds over a certificate of identification executed by the facsimile signature of the Secretary, Board of Trustees, and

also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform Securities Identification Procedures) numbers on the Bonds; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Bond, or any errors therein or in any part of the Bond the form of which is not included in this Order, shall in no way effect the validity or enforceability of the Bonds or relieve the Initial Purchaser of their obligation to accept delivery of and pay for the Bonds.

**Section 4. Definitions.** In addition to other words and terms defined in this Order (except those defined and used in Section 3), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

**"Board"** – The duly constituted Board of Trustees of the May Independent School District, or any successor thereto.

**"Bonds"** – Any bond or bonds or all of the bonds, as the case may be, of that series styled "May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011" in the original aggregate principal amount of \$3,600,000 authorized by this Order.

**"Code"** – The Internal Revenue Code of 1986, as amended.

**"District"** – May Independent School District, or any successor thereto.

**"Federal Subsidy"** – 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 Bond interest payment date or (ii) the amount of interest which would have been payable under such Bond on such date if such interest were determined at the applicable credit rate determined under section 54A(b)(3) of the Code with respect to such Bond.

**"Interest Payment Date"** – When used in connection with any Bond, shall mean July 15, 2012 and each July 15 thereafter until maturity or earlier redemption of such Bond.

**"Initial Bond"** – The Bond registered by the Comptroller of Public Accounts of the State of Texas as described in Section 12 hereof.

**"Initial Purchaser"** – First Financial Bank, N.A., Abilene, Texas.

**"Issue Date"** – Date of delivery of the Bonds to the Initial Purchaser.

**"MSRB"** – The Municipal Securities Rulemaking Board.

**"Order"** – This Order Authorizing the Issuance of "May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011"; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of Such Bonds; Authorizing a Purchase Contract, a Paying Agent/Registrar Agreement, and Other Matters Related Thereto, adopted by the Board on June 29, 2011.

**"Owners"** – Any person who shall be the registered owner of any outstanding Bonds.

**"Paying Agent/Registrar"** – BOKF, NA, d/b/a Bank of Texas, Austin, Texas, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Order.

**“Paying Agent/Registrar Agreement”** – The agreement, dated July 1, 2011, between the Paying Agent/Registrar and the District relating to the registration, authentication, and transfer of the Bonds, attached hereto as Exhibit “A”.

**“Purchase Contract”** – The agreement dated the date of adoption of this Order between the District and the Initial Purchaser.

**“Record Date”** – The last business day of the calendar month next preceding the applicable Interest Payment Date.

**“Register”** – The books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

**“Rule”** – The rule set out at 17 C.F.R. § 240.15c2-12, as amended from time to time.

**“SEC”** – The United States Securities and Exchange Commission.

**Section 5. District Funds.** The District hereby confirms the establishment of the following funds of the District at a depository of the District:

(a) *Interest and Sinking Fund and Tax Levy.* A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the District at an official depository bank of the District. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the District and shall be used only for paying the interest on and principal of the Bonds. The net proceeds of all ad valorem taxes levied and collected for and on account of the Bonds shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the principal of or interest on or maturing amounts of (as appropriate) the Bonds are outstanding and unpaid, the Board shall compute and ascertain a rate and amount of ad valorem tax, without limit as to rate or amount, which will be sufficient to raise and produce the money required to pay the interest on the Bonds and the principal on the Bonds as such principal matures; the tax shall be based on the latest approved tax rolls of the District, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the District, for each year while any of the Bonds are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

(b) *Construction Fund.* The Construction Fund is the fund into which the proceeds of the Bonds shall be placed, except for accrued interest and net premium which shall be paid into the Interest and Sinking Fund. The Construction Fund shall be used to pay the costs necessary or appropriate to accomplish the purposes for which the Bonds are issued.

**Section 6. Investments and Security.** (a) *Investment of Funds.* The Board may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) *Amounts Received from Investments.* Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. Interest earnings derived from the investment of proceeds of the Bonds shall be retained in the Construction Fund until the purpose of the Bonds is complete and thereafter for any lawful purpose. It is

provided, however, that any interest earnings on proceeds of the Bonds which are required to be rebated to the United States of America in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) *Security for Funds.* All funds created by this Order shall be secured in the manner and to the fullest extent required by law for the security of funds of the District.

**Section 7. Irrevocable Qualified School Construction Bond Elections.** The Board hereby (i) designates the Bonds as “qualified school construction bonds” for the purposes of Section 54F (a)(3) of the Code and (ii) makes an irrevocable election for purposes of Section 6431(0)(2) of the Code to treat the bonds as “specified tax credit bonds” and, hereby receive the Federal Subsidy. The Superintendent, or his designee is hereby expressly authorized, empowered, and directed from time to time and at any time to perform all such acts and things deemed necessary, including the preparation and making of any filings with the Internal Revenue Service and taking any actions deemed necessary to obtain the Federal Subsidy and any other moneys from the United States that may be available to the District in connection with the Bonds.

**Section 8. Covenants of the District.** (a) *General Covenants.* The District covenants and represents that:

(i) It is a duly created and existing independent school district and political subdivision of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the District in accordance with their terms; and

(ii) The Bonds shall be ratably secured in such manner that no one Bond shall have preference over other Bonds.

(b) *Specific Covenants.* The District covenants and represents that, while the Bonds are outstanding and unpaid, it will:

(i) Levy an ad valorem tax that will be sufficient to provide funds to pay the current interest on the Bonds and to provide the necessary sinking fund, all as described in this Order and

(ii) Keep proper books of record and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to this Order, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any Owner.

**Section 9. 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 Bonds less the costs of issuance financed by the Bonds, (which costs shall not exceed two percent (2%) of the proceeds of the sale of the Bonds), plus any investment earnings on such amounts.

“**Closing Date**” means the date on which the Bonds 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 Bonds.

**“Nonqualified Bonds”** means the portion of the outstanding Bonds in an amount that, if the remaining Bonds were issued on the last day of the Expenditure Period, all of the Available Project Proceeds of the remaining Bonds 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 Bonds) or for the acquisition of land on which such a facility is to be constructed with a portion of the proceeds of the Bonds.

**“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 Bonds. 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 Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

(b) *Designations and Elections.* The District hereby designates the Bonds 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 Bonds 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 Bonds shall be located within both the jurisdiction of the District and the jurisdiction of the authorized State entity that allocated bond limitation to the issue to the extent applicable.

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

(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 Bonds within six (6) months of the date of issuance.

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

(h) *Redemption of Nonqualified Bonds.* If less than one hundred percent (100%) of the Available Project Proceeds of the Bonds are expended for Qualified Purposes within the Expenditure Period, the District shall redeem all Nonqualified Bonds 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 Bonds 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 Bonds, 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 Bonds. 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 Bonds.

(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 Bonds.

(l) *Not to Cause Bonds 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 Bonds 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 Bonds 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 Bonds. 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:

(i) 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 Bond is discharged.

(ii) 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 Bonds until six (6) years after the final Computation Date.

(iii) As additional consideration for the purchase of the Bonds 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 Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.1483(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(t) 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.

(iv) 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.

(v) 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 Bonds, 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 Bonds 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 Bonds 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 Bonds, 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 Order, the District's representations and obligations under the covenants and provisions of this Section 9 shall survive the defeasance and discharge of the Bonds for as long as such matters are relevant to the designation of the Bonds as "qualified school construction bonds" for federal income tax purposes.

(u) *Covenants Regarding Sale, Lease, or Disposition of Financed Property.* The District covenants that the District will regulate the use of the property financed, directly or indirectly, with the proceeds of the Bonds and will not sell, lease, or otherwise dispose of such property unless (i) the District takes the remedial measures as may be required by the Code and the regulations and rulings thereunder in order to preserve the treatment of the Bonds as Qualified School Construction Bonds or (ii) the District seeks the advice of nationally-recognized bond counsel with respect to such sale, lease, or other disposition.

**Section 10. Maximum Maturity.** No Bond 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 Bonds are sold.

**Section 11. Paying Agent/Registrar.** The Paying Agent/Registrar is hereby appointed as paying agent for the Bonds. The principal of the Bonds, the accrued interest on the Bonds, and the compounded interest on the Bonds 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, as described in the Form of Bonds in Section 3 hereof.

The District, the Paying Agent/Registrar, and any other person may treat the Owner as the absolute owner of such Bonds for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Paying Agent/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 Bond in accordance with this Order shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

So long as any Bonds remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its corporate trust offices in Texas in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

The District may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and shall be authorized by law to serve as a paying agent/registrar. In such event, the District shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Order.

The President and Secretary of the Board are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form presented to the Board on this date.

**Section 12. Initial Bond; Exchange or Transfer of Bonds.** Initially, one Initial Bond in the principal amount shown in Section 1 and representing the entire principal amount of Bonds shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Bonds to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Bond is to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Bonds upon authorization of the District as provided in such instructions.

Each Bond shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Bond for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business day after such presentation, a new Bond or Bonds, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Bond or Bonds presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with this Order and each Bond so delivered shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Paying Agent/Registrar may require the Owner of any Bond 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 Bond. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

**Section 13. Book-Entry Only System.** The definitive Bonds shall be initially issued in the name of Cede & Co., as nominee of DTC, as Registered Owner of the Bonds, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Bonds. Beneficial owners of definitive Bonds will not receive physical delivery of Bonds except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Bonds as provided herein, all transfers of beneficial ownership interest will be made by book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Bonds is to receive, hold, or deliver any Bonds. No person shall acquire or hold any beneficial interest in any Bond representing a portion of the principal amount of such Bond which is other than \$5,000 or an integral multiple thereof.

Replacement definitive Bonds may be issued directly to beneficial owners of Bonds other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Bonds (which determination shall become effective no less than 90 days after written notice to such effect to the District and the Paying Agent/Registrar); or (ii) the District has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Bonds) that DTC is incapable of discharging its duties as securities depository for the Bonds; or (iii) the District

has determined (which determination is conclusive as to DTC and the beneficial owners of the Bonds) that the interests of the beneficial owners of the Bonds might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the District shall use its best efforts to attempt to locate another qualified securities depository. If the District fails to locate another qualified securities depository to replace DTC, the District shall cause to be executed, authenticated, and delivered replacement Bonds, in certificate form, to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the District. In the event that the District makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Bonds of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Bonds in certificate form to the DTC participants having an interest in the Bonds as shown on the records of DTC provided by DTC to the District. The District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the District to make any determination described in (ii) or (iii) above.

Whenever, during the term of the Bonds, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Ordinance of holding, delivering, or transferring Bonds shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

If at any time DTC ceases to hold the Bonds, all references herein to DTC shall be of no further force or effect.

**Section 14. District Officer's Duties.** (a) *Issuance of Bonds.* The President of the Board shall submit the Initial Bonds, the record of the proceedings authorizing the issuance of the Bonds, and any and all necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the President of the Board shall cause the Initial Bonds to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the Board are authorized to execute and deliver on behalf of the Board such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Bonds to and by the Initial Purchaser.

(b) *Execution of Order.* The President and Secretary of the Board are authorized to execute the certificate to which this Order is attached on behalf of the Board and to do any and all things proper and necessary to carry out the intent hereof.

**Section 15. Remedies of Owners.** In addition to all rights and remedies of any Owner of the Bonds provided by the laws of the State of Texas, the District and the Board covenant and agree that in the event the District defaults in the payment of the principal of or interest on any of the Bonds when due, fails to make the payments required by this Order to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Order, the Owner of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board and other officers of the District to observe and perform any covenant, obligation, or condition prescribed in this Order. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as may be deemed expedient. The specific remedies mentioned in this Order shall be available to any Owner of any of the Bonds and shall be cumulative of all other existing remedies.

**Section 16. Lost, Stolen, Destroyed, Damaged, or Mutilated Bonds; Destruction of Paid Bonds.** (a) *Replacement Bonds.* In the event any outstanding Bond shall become lost, stolen, destroyed,

damaged, or mutilated, at the request of the Owner thereof, the District shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Bond of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Bond, or in lieu of and substitution for such Bond, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) *Application and Indemnity.* Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Bonds shall be made to the District. In every case, the applicant for a substitute Bond shall furnish to the District such deposit for fees and costs as may be required by the District to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Bond, the applicant shall also furnish to the District indemnity to the District's satisfaction and shall file with the District evidence to the District's satisfaction of the loss, theft, or destruction and of the ownership of such Bond. In every case of damage or mutilation of a Bond, the applicant shall surrender the Bond so damaged or mutilated to the Paying Agent/Registrar.

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

(d) *Expense of Issuance.* Upon the issuance of any substitute Bonds, the District may charge the owner of such Bond with all fees and costs incurred in connection therewith. Every substitute Bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the District, whether or not the lost, stolen, destroyed, damaged, or mutilated Bonds shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Bonds duly issued under this Order.

(e) *Authority to Issue Substitute Bonds.* This Order shall constitute sufficient authority for the issuance of any such substitute Bonds without necessity of further action by the Board or any other body or person, and the issuance of such substitute Bonds is hereby authorized, notwithstanding any other provisions of this Order.

(f) *Destruction of Paid Bonds.* At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Bonds duly paid and shall furnish to the District a certificate evidencing such destruction.

**Section 17. Redemption.** The Bonds are subject to redemption as described in the "Form of Bonds" in Section 3 hereof.

**Section 18. Defeasance.** Any Bond shall be deemed to be paid and shall no longer be considered to be a "Bond" within the meaning of this Order when payment of the principal of such Bond, plus interest thereon to the due date thereof either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for by depositing with an escrow agent (the "Escrow Agent" for purposes of this Section), for such payment, (A) cash sufficient to make such payment or (B) Governmental Obligations certified by an independent public accounting firm of national reputation to be of such maturities and interest payment dates and to bear interest at such rates as will, without further investment or reinvestment of either the principal amount thereof or the interest earnings therefrom (likewise to be held in trust and committed, except as hereinafter provided), be sufficient to make such payment or (C) a combination of money and Governmental Obligations together so certified to

be sufficient, provided that all the expenses pertaining to the Bonds with respect to which such deposit is made shall have been paid, or the payment thereof provided for, to the satisfaction of the Escrow Agent. Notwithstanding anything herein to the contrary, no such deposit shall have the effect described in this Section if made during the subsistence of a default in the payment of any Bond unless made with respect to all of the Bonds then outstanding. Any money and Government Obligations deposited for such purpose shall be held by the Escrow Agent in a segregated account in trust or escrow for the Owners with respect to which such deposit is made and, together with any investment income therefrom, shall be disbursed solely to pay the principal of and interest on such Bonds when due. No money or Governmental Obligations so deposited shall be invested or reinvested unless in Governmental Obligations and unless such money and Governmental Obligations not invested and such new investments are together certified by an independent public accounting firm of national reputation to be of such amounts, maturities, and interest payment dates and to be of such interest as will, without further investment or reinvestment of either the principal amount thereof or the interest earning therefrom, be sufficient to make such payment. At such times as a Bond shall be deemed to be paid hereunder, as aforesaid, they shall no longer be entitled to the benefits of this Order, except for the purposes of any such payment from such money or Governmental Obligations.

**Section 19. Permanent School Fund Guarantee.** The payment of the principal of and interest on the Bonds, when due, is guaranteed by the corpus of the Permanent School Fund of the State of Texas (the "Permanent School Fund") in accordance with the provisions of Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, as amended. The District hereby covenants to notify the Commissioner of Education of the State of Texas (the "Commissioner") immediately following (but not later than the fifth day before maturity date) a determination that the District is or will be unable to pay maturing or matured principal or interest on any Bond and will further notify the Commissioner of any default in the payment of principal or interest, when due, on any Bond. Immediately following such notice, the Commissioner is required by law to cause to be transferred from the appropriate account of the Permanent School Fund to the Paying Agent/Registrar the amount necessary to pay the maturing or matured principal or interest, and in accordance with Section 45.061, Texas Education Code, the Comptroller of Public Accounts will withhold the amount paid, plus interest, from the first state money payable to the District in the following order: foundation school fund, available school fund. Any notices to be given to the holders hereunder shall additionally be given to the Commissioner, when and as mailed to the holders. In the event of defeasance as described in Section 17, the Permanent School Fund Guarantee is removed in its entirety with respect to the Bonds defeased. If two or more payments from the Permanent School Fund are made pursuant to the guarantee and the Commissioner determines that the District is acting in bad faith under the guarantee, the Attorney General of the State of Texas may institute appropriate legal action to compel the District and its officers, agents, and employees to comply with the duties required by law in regard to the Bonds. If the District fails to pay principal or interest on a guaranteed Bond when it matures, other amounts not yet mature shall not be accelerated and shall not become due by virtue of the District's default.

**Section 20. Order a Contract; Amendments.** This Order shall constitute a contract with the Owners, from time to time, of the Bonds, binding on the District and its successors and assigns, and shall not be amended or repealed by the District as long as any Bond remains outstanding except as permitted in this Section. The District may, without the consent of or notice to any Owners, amend, change, or modify this Order as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The District may, with the written consent of the Owners of the majority in aggregate principal amount of Bonds then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Order; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time

or times of payment of the principal of and interest on the Bonds or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Bond over any other Bond; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Bonds required for consent to any such amendment, change, modification, or rescission. When the District desires to make any amendment or addition to or rescission of this Order requiring consent of the Owners, the District shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

**Section 21. Sale and Delivery of Bonds.** (a) *Sale.* The sale of the Bonds to the Initial Purchaser pursuant to the terms of a Purchase Contract (the "Purchase Contract") is hereby confirmed. The District hereby approves the Purchase Contract and designates and empowers the President of the Board to execute the Purchase Contract for the purpose of the private placement of the Bonds. The officers of the District are hereby authorized and directed to execute and deliver such certificates, instructions, or other instruments as are required or necessary to accomplish the purposes of this Order.

(b) *Legal Opinion.* The Initial Purchaser's obligation to accept delivery of the Bonds is subject to their being furnished an opinion of Naman Howell Smith & Lee, PLLC, and Powell & Leon, L.L.P., Attorneys, such opinion to be dated and delivered as of the date of delivery and payment for the Bonds.

(c) *Registration and Delivery.* Upon the registration of the Initial Bond, the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Bond pursuant to the instruction of the President of the Board for delivery to the Initial Purchaser.

**Section 22. Use of Proceeds.** The proceeds from the sale of the Bonds shall be deposited and paid as follows: (i) costs of issuing the Bonds shall be paid by the District at closing from Bond proceeds and (ii) the remainder of the proceeds shall be deposited to the Construction Fund.

**Section 23. Covenant to Deliver Audited Financials.** The District covenants to deliver audited financials to the Initial Purchaser of the Bonds within 180 days of the end of each fiscal year.

**Section 24. Attorney General Examination Fee.** The District recognizes that under Section 1202.004, Texas Government Code, as amended by Senate Bill 495, Acts of the 79<sup>th</sup> Legislature Regular Session, 2005, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of the proceedings authorizing the Bonds and that, based upon the authorized principal amount of the Bonds, such fee may not exceed the amount of \$3,600.00. Bond Counsel is accommodating the District by paying such fee upon such submission of such transcript. Officials of the District are, however, hereby authorized to reimburse Bond Counsel such amount as soon as possible and whether or not the Bonds are ever delivered and such amount is hereby appropriated from available funds for such purpose. The District is also authorized to reimburse the fund used for such repayment with proceeds of the Bonds.

**Section 25. Further Procedures.** The President and the Secretary of the Board, and the Superintendent of Schools, and all other officers, employees, attorneys, and agents of the District, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the District, all such instruments, whether or not herein

mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order and the Bonds. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Bonds, the President and the Secretary of the Board and Bond Counsel to the District are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office.

**Section 26. Miscellaneous Provisions.** (a) *Titles Not Restrictive.* The titles assigned to the various sections of this Order are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Order.

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

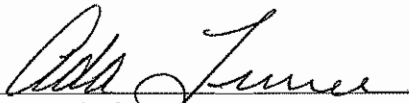
(c) *Severability.* If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order shall nevertheless be valid and the Board hereby declares that this Order would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

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

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

*[Signatures follow]*

PASSED AND APPROVED this 29<sup>th</sup> day of June, 2011

  
\_\_\_\_\_  
President, Board of Trustees

ATTEST:

  
\_\_\_\_\_  
Secretary, Board of Trustees

(DISTRICT SEAL)

**EXHIBIT A**

**Paying Agent/Registrar Agreement**

## PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of July 1, 2011 (the "Agreement"), by and between the MAY INDEPENDENT SCHOOL DISTRICT (the "Issuer"), and BOKF, NA, d/b/a Bank of Texas, Austin, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank").

### RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011" (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchaser thereof as provided in the Order (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

### ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

**Section 1.01. Appointment.** The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal of and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Order.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

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

**Section 1.02. Compensation.** As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions

hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## ARTICLE II. DEFINITIONS

**Section 2.01. Definitions.** For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated principal corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

“Bank Principal Payment Office” means the office of the Bank located in Austin, Texas.

“Board” means the Board of Trustees of the May Independent School District.

“Fiscal Year” means the fiscal year of the Issuer, ending August 31.

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

“Issuer Request” means a written request or order signed in the name of the Issuer by the Superintendent of Schools of the Issuer, the Chief Financial Officer of the Issuer, the President of the Board of the Issuer, or the Secretary of the Board of the Issuer, any one or more of said officials, delivered to the Bank.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary of the Board or any other officer of the Issuer, and delivered to the Bank.

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

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

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

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

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

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

**Section 2.02. Other Definitions.** The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

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

### **ARTICLE III. PAYING AGENT**

**Section 3.01. Duties of Paying Agent.** As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Principal Payment Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

**Section 3.02. Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

### **ARTICLE IV. REGISTRAR**

**Section 4.01. Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Principal Payment Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

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

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

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

**Section 4.02. Bonds.** The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

**Section 4.03. Form of Security Register.** The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

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

**Section 4.04. List of Security Holders.** The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any Person other than an authorized officer or employee of the Issuer or to another Person, upon receipt of an Issuer Request, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05. Return of Cancelled Bonds.** All Securities 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 Securities previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Bank. All cancelled Securities held by the Bank shall be destroyed, and evidence of such destruction furnished to the Issuer at such reasonable intervals as it determines subject to applicable rules and regulations of the United States Securities and Exchange Commission.

**Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities.** The Issuer hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

**Section 4.07. Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

**Section 4.08. Redemption of Securities.** Securities which are redeemable before their stated maturity shall be redeemable in accordance with the Order and terms in accordance with this Article IV.

**Section 4.09. Notice of Redemption.** Notice of redemption shall be given by the Bank in the name at the expense of the Issuer not less than 30 or more than 45 days prior to the date of redemption, to each Registered Owner of Securities to be redeemed and otherwise required by the Order.

All notices of redemption shall include the CUSIP number and statement as to:

- (a) the date of redemption;
- (b) the price of the Securities expressed as a percentage of par amount of the Securities;
- (c) the principal amount of Securities to be redeemed, and, if less than all outstanding Securities are to be redeemed, the identification (and, in case of partial redemption, the principal amounts) of the Securities to be redeemed;
- (d) that on the date of redemption the principal of each of the Securities to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date; and
- (e) that the Securities to be redeemed are to be surrendered for payment of the price stated in the notice of redemption at the designated principal payment office of the Bank, and the address of such office.

The Bank shall, at the expense of the Issuer, provide notice to designated securities depositories and information services based upon the then current guidelines of the United States Securities and Exchange Commission relating to redemptions and refundings of municipal bonds, including the Securities. The Bank, at the expense of the Issuer, shall also provide notice to any other addressees as the Issuer shall designate in writing.

## **ARTICLE V. THE BANK**

**Section 5.01. Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

**Section 5.02. Transfer of Funds.** The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile transmission of the closing memorandum to be followed by an original of the closing memorandum signed by the financial advisor or the Issuer.

**Section 5.03. Reliance on Documents, Etc.** (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

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

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

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

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

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

**Section 5.04. Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

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

**Section 5.05. May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.06. Money Held by Bank.** (a) Money held by the Bank hereunder shall be held for the benefit of the Registered Owners of the Securities.

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

(c) Except to the extent provided otherwise in the Order, any money deposited with the Bank for the payment of the principal on or interest on any security and remaining unclaimed for three years after the dates such amounts have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent that such provisions are applicable to such amounts.

**Section 5.07. 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 without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.08. 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 deposit, in either a Federal or State District Court located in the State and District where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 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 5.09. Depository Trust Company Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," currently in effect, which establishes requirements for securities to be eligible for such type of depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

## ARTICLE VI. MISCELLANEOUS PROVISIONS

**Section 6.01. Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**Section 6.04. Effect of Headings.** The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. Successors and Assigns.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.08. Entire Agreement.** This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

**Section 6.09. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.10. Termination.** This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. If the 60-day notice period expires and no successor has been appointed, the Bank, at the expense of the Issuer, has the right to petition a court of competent jurisdiction to appoint a successor under this Agreement. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

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

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

(Signatures follow)

**Section 6.11. Governing Law.** This Agreement shall be construed in accordance with and 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.

BOKF, NA,  
d/b/a BANK OF TEXAS

By \_\_\_\_\_

Title \_\_\_\_\_

Address: 111 Congress Avenue, Suite 400  
Austin, Texas 78701

Attest:

MAY INDEPENDENT SCHOOL DISTRICT

By \_\_\_\_\_  
Secretary, Board of Trustees

(ISSUER SEAL)

By \_\_\_\_\_  
President, Board of Trustees  
Address: 3400 CR 411 E  
May, Texas 76857

## **SCHEDULE A**

### **Paying Agent/Registrar Fee Schedule**

## PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of July 1, 2011 (the "Agreement"), by and between the MAY INDEPENDENT SCHOOL DISTRICT (the "Issuer"), and BOKF, NA, d/b/a Bank of Texas, Austin, Texas, a banking association duly organized and existing under the laws of the United States of America (the "Bank").

### RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of its "May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011" (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchaser thereof as provided in the Order (hereinafter defined);

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the Issuer and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

### ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

**Section 1.01. Appointment.** The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal of and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Order.

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

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

**Section 1.02. Compensation.** As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse the Bank, upon its request, for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the provisions

hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

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“Bank Principal Payment Office” means the office of the Bank located in Austin, Texas.

“Board” means the Board of Trustees of the May Independent School District.

“Fiscal Year” means the fiscal year of the Issuer, ending August 31.

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

“Issuer Request” means a written request or order signed in the name of the Issuer by the Superintendent of Schools of the Issuer, the Chief Financial Officer of the Issuer, the President of the Board of the Issuer, or the Secretary of the Board of the Issuer, any one or more of said officials, delivered to the Bank.

“Order” means the order of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary of the Board or any other officer of the Issuer, and delivered to the Bank.

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

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

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

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

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

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

**Section 2.02. Other Definitions.** The terms “Bank”, “Issuer”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

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As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

**Section 3.02. Payment Dates.** The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

### ARTICLE IV. REGISTRAR

**Section 4.01. Security Register - Transfers and Exchanges.** The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Principal Payment Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

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

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

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

**Section 4.02. Bonds.** The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

**Section 4.03. Form of Security Register.** The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

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

**Section 4.04. List of Security Holders.** The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any Person other than an authorized officer or employee of the Issuer or to another Person, upon receipt of an Issuer Request, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05. Return of Cancelled Bonds.** All Securities 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 Securities previously authenticated and delivered which the Issuer may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Bank. All cancelled Securities held by the Bank shall be destroyed, and evidence of such destruction furnished to the Issuer at such reasonable intervals as it determines subject to applicable rules and regulations of the United States Securities and Exchange Commission.

**Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities.** The Issuer hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

**Section 4.07. Transaction Information to Issuer.** The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

**Section 4.08. Redemption of Securities.** Securities which are redeemable before their stated maturity shall be redeemable in accordance with the Order and terms in accordance with this Article IV.

**Section 4.09. Notice of Redemption.** Notice of redemption shall be given by the Bank in the name at the expense of the Issuer not less than 30 or more than 45 days prior to the date of redemption, to each Registered Owner of Securities to be redeemed and otherwise required by the Order.

All notices of redemption shall include the CUSIP number and statement as to:

- (a) the date of redemption;
- (b) the price of the Securities expressed as a percentage of par amount of the Securities;
- (c) the principal amount of Securities to be redeemed, and, if less than all outstanding Securities are to be redeemed, the identification (and, in case of partial redemption, the principal amounts) of the Securities to be redeemed;
- (d) that on the date of redemption the principal of each of the Securities to be redeemed will become due and payable and that the interest thereon shall cease to accrue from and after said date; and
- (e) that the Securities to be redeemed are to be surrendered for payment of the price stated in the notice of redemption at the designated principal payment office of the Bank, and the address of such office.

The Bank shall, at the expense of the Issuer, provide notice to designated securities depositories and information services based upon the then current guidelines of the United States Securities and Exchange Commission relating to redemptions and refundings of municipal bonds, including the Securities. The Bank, at the expense of the Issuer, shall also provide notice to any other addressees as the Issuer shall designate in writing.

## **ARTICLE V. THE BANK**

**Section 5.01. Duties of Bank.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

**Section 5.02. Transfer of Funds.** The Bank is also authorized to transfer funds relating to the closing and initial delivery of the Securities in the manner disclosed in the closing memorandum approved by the Issuer as prepared by the Issuer's financial advisor or other agent. The Bank may act on a facsimile transmission of the closing memorandum to be followed by an original of the closing memorandum signed by the financial advisor or the Issuer.

**Section 5.03. Reliance on Documents, Etc.** (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

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

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

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

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

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

**Section 5.04. Recitals of Issuer.** The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness.

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

**Section 5.05. May Hold Securities.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

**Section 5.06. Money Held by Bank.** (a) Money held by the Bank hereunder shall be held for the benefit of the Registered Owners of the Securities.

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

(c) Except to the extent provided otherwise in the Order, any money deposited with the Bank for the payment of the principal on or interest on any security and remaining unclaimed for three years after the dates such amounts have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Title 6 of the Texas Property Code, as amended, to the extent that such provisions are applicable to such amounts.

**Section 5.07. 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 without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

**Section 5.08. 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 deposit, in either a Federal or State District Court located in the State and District where the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 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 5.09. Depository Trust Company Services.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," currently in effect, which establishes requirements for securities to be eligible for such type of depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

## ARTICLE VI. MISCELLANEOUS PROVISIONS

**Section 6.01. Amendment.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. Assignment.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. Notices.** Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**Section 6.04. Effect of Headings.** The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. Successors and Assigns.** All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. Severability.** In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. Benefits of Agreement.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

**Section 6.08. Entire Agreement.** This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

**Section 6.09. Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

**Section 6.10. Termination.** This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. If the 60-day notice period expires and no successor has been appointed, the Bank, at the expense of the Issuer, has the right to petition a court of competent jurisdiction to appoint a successor under this Agreement. Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

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

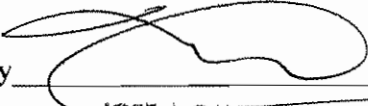
The provisions of Section 1.02 and of Article V shall survive and remain in full force and effect following the termination of this Agreement.

(Signatures follow)

**Section 6.11. Governing Law.** This Agreement shall be construed in accordance with and 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.

BOKF, NA,  
d/b/a BANK OF TEXAS

By 

Title JOSE A. GAYTAN JR.  
VICE PRESIDENT

Address: 111 Congress Avenue, Suite 400  
Austin, Texas 78701

Attest:

MAY INDEPENDENT SCHOOL DISTRICT

By \_\_\_\_\_  
Secretary, Board of Trustees

(ISSUER SEAL)

By \_\_\_\_\_  
President, Board of Trustees  
Address: 3400 CR 411 E  
May, Texas 76857

**Section 6.11. Governing Law.** This Agreement shall be construed in accordance with and 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.

BOKF, NA,  
d/b/a BANK OF TEXAS

By \_\_\_\_\_

Title \_\_\_\_\_

Address: 111 Congress Avenue, Suite 400  
Austin, Texas 78701

Attest:

By  \_\_\_\_\_  
Secretary, Board of Trustees

(ISSUER SEAL)

MAY INDEPENDENT SCHOOL DISTRICT

By  \_\_\_\_\_  
President, Board of Trustees

Address: 3400 CR 411 E  
May, Texas 76857

**SCHEDULE A**

**Paying Agent/Registrar Fee Schedule**



**\$3,600,000**  
**May Independent School District**  
**Unlimited Tax Qualified School Construction Bonds,**  
**Series 2011**

**PAYING AGENT/REGISTRAR & TAX REPORTING AGENT**

**Schedule of Fees**

**Acceptance Fee:** **\$ 0**

**Annual Administration Fee:** **\$750.00**  
**Due Annually (In Arrears)**

For ordinary administration services by Paying Agent/Registrar – 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.

Float credit received by the bank for receiving funds that remain uninvested are deemed part of the Paying Agent's compensation.

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.

**Jose Gaytan**  
**Vice President**  
**Tel: 512.279.7850**  
**Fax: 512.279.7853**  
**[JGaytan@bankoftexas.com](mailto:JGaytan@bankoftexas.com)**

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

May 23, 2011

NO. I-1

\$3,600,000

United States of America  
State of Texas  
MAY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BOND, TAXABLE SERIES 2011

Issue Date: JULY 22, 2011

Registered Owner: FIRST FINANCIAL BANK, N.A.

Principal Amount: THREE MILLION SIX HUNDRED THOUSAND DOLLARS (\$3,600,000)

MAY INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner, specified above, or the registered assigns thereof (the "Registered Owner"), the Principal Amount, specified above, with principal installments payable on July 15 in each of the years, and bearing interest at per annum rates in accordance with the following schedule:

<u>YEAR OF STATED MATURITIES</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
2012	\$237,000	5.38%
2013	238,000	5.38
2014	238,000	5.38
2015	238,000	5.38
2016	239,000	5.38
2017	239,000	5.38
2018	240,000	5.38
2019	240,000	5.38
2020	240,000	5.38
2021	241,000	5.38
2022	241,000	5.38
2023	242,000	5.38
2024	242,000	5.38
2025	242,000	5.38
2026	243,000	5.38

INTEREST on the unpaid Principal Amount hereof from the Issue Date, specified above, or from the most recent interest payment date to which interest has been paid or duly provided for until the Principal Amount has become due and payment thereof has been made or duly provided for shall be paid computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on July 15 of each year, commencing July 15, 2012.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The final payment of principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at final maturity, at the designated payment trust office of BOKF, NA, d/b/a Bank of Texas, Austin, Texas, which is the "Paying Agent/Registrar" for this Bond. The payment of principal installments and interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof as shown by the

Registration Books kept by the Paying Agent/Registrar at the close of business on the Record Date by check drawn by the Paying Agent/Registrar on, and payable solely from, funds of the District required to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check shall be sent by the Paying Agent/Registrar by United States mail, postage prepaid, on each such payment date, to the registered owner hereof at its address as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The record date ("Record Date") for payments hereon means the last business day of the month preceding a scheduled payment. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due payment (the "Special Payment Date", which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Registered Owner appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice. The District covenants with the Registered Owner that no later than each principal installment payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on this Bond, when due, in the manner set forth in the Order defined below.

THIS BOND is one of a series of Bonds, dated as of July 22, 2011 (the "Bonds") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Order adopted by the Board of Trustees of the District on June 29, 2011 (the "Order"), in the original aggregate principal amount of \$3,600,000 for the purpose of providing money for the construction, acquisition, and equipment of school buildings and costs of issuance of the Bonds by virtue of the laws of the State of Texas, including particularly Chapter 45, Texas Education Code, as amended, and in accordance with section 54F of the Internal Revenue Code (the "Code").

THE DISTRICT reserves the right, at its option, to redeem the Bonds maturing on or after July 15, 2022 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on July 15, 2021 or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bond or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

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 above by the close of the 3-year period beginning on the date of delivery of the Bonds (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 Bonds 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 Bonds to the date fixed for redemption, payable from such unexpended proceeds held by the District.

UPON THE OCCURRENCE of an Extraordinary Event (as defined below), the Bonds are subject to special optional redemption, at the option of the District, prior to their maturity date, in whole or in part, on the date designated by the District at the Make Whole Redemption Price.

The "Make-Whole Redemption Price" means the amount equal to the greater of the following:

1. The initial offering price of the Bonds set forth above (but not less than 100% of the principal amount of the Bonds to be redeemed) or
2. The sum of the present value of the remaining scheduled payments of principal and interest on the Bonds to be redeemed to the maturity date of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semiannual basis, assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus in each case accrued interest on the Bonds to be redeemed to the redemption date.

For the purpose of determining the Make-Whole Redemption Price, "Treasury Rate" means, with respect to any redemption date for a particular Bond, 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) (the "Statistical Release") that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if the 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 Bonds to be redeemed; provided, however that if the period from the redemption date to the 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 shall be used.

The term "Extraordinary Event" means (a) a final determination by the Internal Revenue Service ("IRS") (after the District has exhausted all administrative appeal remedies) 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; (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 and specifying the Date of Loss of Qualified School Construction Bond Status; (c) the occurrence of a material adverse change under Section 54F or 6431 of the Code; (d) the publication by the IRS or the United States Treasury of any guidance with respect to such sections; or (e) any other determination by the IRS or the United States Treasury, which determination is not the result of a failure of the District to satisfy certain requirements of the Order, if as a result of an event as described in (c), (d), or (e) of this sentence, the Subsidy Payments expected to be received with respect to the Bonds are eliminated or reduced, as reasonably determined by the Superintendent of the District or his designee, which determination shall be conclusive.

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 Order or the Bonds and which act or failure to act causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (b) the making by the District of any representation contained in the Order or the Bonds, which representation was untrue when made and the untruth of which representation at such time causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

The Make-Whole Redemption Price will be determined by an independent accounting firm, investment banking firm, or financial advisor retained by and at the expense of the Issuer to calculate such redemption price. The determination of the Make-Whole Redemption Price by such independent accounting firm, investment banking firm, or financial advisor shall be conclusive and binding on the Issuer and the Bondholders and the Paying Agent/Registrar and the Issuer will be permitted to conclusively rely on such determination.

IF A BOND subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

NOTICE OF ANY REDEMPTION identifying the Bonds to be redeemed in whole or in part shall be given by the Paying Agent/Registrar upon direction of the District at least 30 days but not more than 60 days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Bond to be redeemed, in whole or in part, at the address shown on the Register. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Bonds or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Bonds have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, such Bonds or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

THE BONDS are issued pursuant to the Order whereunder the District covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the District, without legal limitation as to rate or amount, for each year while any part of the Bonds are considered outstanding under the provisions of the Order, in a sufficient amount to pay interest on each Bond as it becomes due, to provide for the payment of the principal of the Bonds when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Order for provisions with respect to the custody and application of the District's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owner.

THIS BOND IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Bond is being transferred, it shall be 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 Order. If a Bond is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order. The Registered Owner of this Bond shall be deemed and treated by the District and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Bond to the extent of such payment, and the District and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

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

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Bonds in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on the Bonds by the levy of a continuing, direct, annual ad valorem tax upon taxable property within the District; and that issuance of the Bonds does not exceed any constitutional or statutory limitation.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Bond and the Order constitute a contract between each Registered Owner and the District.

IN WITNESS WHEREOF, this Bond has been signed with the manual or facsimile signature of the 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, and the official seal of the District has been duly impressed, or placed in facsimile, on this Bond.

MAY INDEPENDENT SCHOOL DISTRICT

  
Secretary, Board of Trustees

  
President, Board of Trustees

(DISTRICT'S SEAL)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_


7872701

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

Witness my signature and seal this \_\_\_\_\_.

JUL 22 2011

(COMPTROLLER'S SEAL)

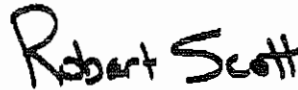
  
Comptroller of Public Accounts of the  
State of Texas

## STATEMENT OF PUBLIC SCHOOL FUND GUARANTEE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the May Independent School District of its Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the Bonds.

In witness thereof, I have caused my signature to be placed in facsimile on this bond.



---

ROBERT SCOTT  
Commissioner of Education

State of Texas

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

/\_\_\_\_\_/

(Please insert Social Security or Taxpayer  
Identification of Transferee)

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

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

Dated: \_\_\_\_\_

Signature Guaranteed:

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

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

The following abbreviations, when used in the Assignment above or on the face of the within Bond, shall  
be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - \_\_\_\_\_ Custodian \_\_\_\_\_  
(Cust) (Minor)

under Uniform Gifts to Minors Act \_\_\_\_\_  
(State)

Additional abbreviations may also be used though not in the list above.



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Robert Scott  
Commissioner

July 11, 2011

## PSF CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the May Independent School District of its Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.]\*

In witness thereof I have caused my signature to be placed in facsimile on this bond.

A handwritten signature in black ink that reads "Robert Scott". The signature is written in a cursive, slightly stylized script.

---

Robert Scott  
Commissioner of Education

This statement authorizes the use of my signature to be placed in facsimile on the above bonds.

\*The bracketed paragraph should be omitted from bond issues which aggregate less than \$1,000,000, as such offerings are totally exempted from Rule 15c2-12.



TEXAS EDUCATION AGENCY

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June 21, 2011

Mr. Donald Rhodes, Superintendent  
May Independent School District  
3400 County Road 411 East  
May, Texas 76857

Dear Mr. Rhodes:

Please be informed that your application for guarantee pursuant to the bond guarantee program (the "Guarantee Program") administered by the Texas Education Agency (the "Agency") of the May Independent School District's (the "District") Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 (the "Bonds") has been preliminarily approved for guarantee in accordance with the Guarantee Program, subject to the following requirements: (1) the bond rating of the issue must be below the "AAA" category by a nationally recognized municipal bond rating service, (2) the District must include in its Official Statement relating to the Bonds the language set forth in the PSF Bond Guarantee Program Disclosure Language (the "Official Statement Disclosure"), entitled "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" available at the following web link: <http://www.tea.state.tx.us/index2.aspx?id=6794>, and (3) each Bond must have printed on or attached to it the statement of guarantee in the form of the attachment to this letter entitled "PSF CERTIFICATE" (the "Bond Legend").

The preliminary approval of the Guarantee Program was based upon the capacity of the Permanent School Fund to guarantee bonds according to statutory and regulatory limits. At this time capacity is at a level that interim notifications of the district's intention to move forward with the sale of the bonds are not necessary.

In consideration for the application fee of the District, other valuable consideration with respect to the issuance of the Bonds by the District and the agreement of the District evidenced by the acceptance of the terms of this letter, and in order to induce investors to purchase the Bonds (and for their benefit) the Agency will (1) comply with the terms of the portion of State Board of Education investment policy codified in Section I of the Agency's Investment Procedure Manual ("Section I"), undertaking to provide ongoing information with respect to the Guarantee Program (including, specifically, the Permanent School Fund), and (2) provide or cause to be provided audited annual financial statements for the Guarantee Program, the Permanent School Fund (the "PSF") and the State of Texas to the MSRB (as such term is defined in Section I), when and if available, as required by rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"). Financial data

provided in accordance with this agreement will include audited financial statements of, or relating to, the State or the PSF, when and if such audits are commissioned and available. Financial statements of the State will be prepared in accordance with generally accepted accounting principles as applied to state governments, as such principles may be changed from time to time, or such other accounting principles as the State Auditor is required to employ from time to time pursuant to State law or regulation. Financial statements of the PSF will be prepared on a flow of economic resources measurement focus and the accrual basis of accounting in accordance with Statement No. 20 of the Governmental Accounting Standards Board, or such other accounting principles as the Agency is required to employ from time to time pursuant to State law or regulation.

This agreement shall become effective with respect to the Bonds upon the issuance of the Bonds, if the District takes the steps required by this letter for the effectuation of the guarantee of the Bonds by the PSF pursuant to the Guarantee Program, and will remain in effect (and may be enforced in an action for mandamus or specific performance by beneficial owners of the Bonds but not otherwise) so long as the Agency or the State is an "obligated person" with respect to such guarantee within the meaning of Rule 15c2-12.

Because of limitations on Agency staff dedicated to the administration of the Guarantee Program, the Agency will be unable to respond to requests to review and comment upon proposed Official Statement disclosures concerning Rule 15c2-12 undertaken by the Agency or upon the Bond Legend to be printed on or attached to the Bonds. However, the Agency hereby represents to the District (for its benefit and the benefit of the underwriters of the Bonds (if the Bonds are being sold in a negotiated sale) or the initial purchasers of the Bonds (if the Bonds are being sold competitively) that the information in the Official Statement Disclosure is accurate as of the date of this letter.

Upon sale of the bonds, please provide written notification to the Division of State Funding within ten (10) calendar days as to whether or not the guarantee is in effect. Should the PSF guarantee be in effect, this notification must include a copy of each of the following:

1. The order of the Board of Trustees certifying the sale of the guaranteed bonds (which is to include a statement that if the guaranteed bonds are defeased, the guarantee of such bonds would be removed in its entirety), and a statement that in case of default, and in accordance with Texas Education Code §45.061, the comptroller of public accounts will withhold the amount paid, plus interest, from the first state money payable to the school district in the following order: Foundation School Fund, Available School Fund,
2. the Official Notice of Sale,
3. the Final Official Statement and
4. for refunded bonds, a present value final savings schedule.

Only after the above items have been received will an original of the Bond Legend to be printed or attached to the Bonds and the "Certificate With Respect To Arbitrage" be sent to your bond counselor with copies to your financial advisor and the rating service(s). Sample copies of these two documents are enclosed for your convenience.

If bonds guaranteed by the Guarantee Program are defeased, the district shall notify the Division of State Funding in writing within ten (10) calendar days of such action. If you have questions, please feel free to contact Cassie Huggins at (512) 463-9238.

Thank you for your cooperation and assistance.

Sincerely,

A handwritten signature in black ink, appearing to be 'Adam Jones', written over the word 'Sincerely,'.

Adam Jones, Deputy Commissioner for  
Finance and Administration/COO

Enclosures

cc: Ted Christensen; Marshall White; Moodys; Standard & Poor's



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## CERTIFICATE WITH RESPECT TO ARBITRAGE

### THE STATE OF TEXAS: TEXAS EDUCATION AGENCY:

The Texas Education Agency hereby certifies with respect to the issuance by May Independent School District (the "District") of the Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 (the "Bonds") as follows:

1. The Permanent School Fund (the "Fund") created by Article 7, Section 5 of the Texas Constitution is a perpetual state trust fund authorized for the benefit of the public schools of the State of Texas.
2. The Bonds are guaranteed, pursuant to Article 7, Section 5 of the Texas Constitution and Section 45.051, et seq., of the Texas Education Code, by the corpus of the Fund.
3. The Fund has satisfied each of the factual requirements of paragraphs (d)(1)(i) through (d)(1)(iii) of Section 1.148-11(d)(1) of the Treasury Regulations on and after August 16, 1986.
4. Based upon the unaudited records of the Texas Education Agency and the General Land Office, the outstanding amount of the bonds guaranteed by the Fund on the sale date of the bonds did not exceed 500 percent of the total cost of the assets held by the Fund on December 16, 2009.
5. If the Bonds are defeased, the Fund guarantee shall be withdrawn in its entirety.

TEXAS EDUCATION AGENCY

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By Adam Jones,  
Deputy Commissioner for Finance and Administration/COO



TEXAS EDUCATION AGENCY

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## PSF CERTIFICATE

Under the authority granted by Article 7, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the May Independent School District of its Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.]\*

In witness thereof I have caused my signature to be placed in facsimile on this bond.

---

Robert Scott  
Commissioner of Education

This statement authorizes the use of my signature to be placed in facsimile on the above bonds.

\*The bracketed paragraph should be omitted from bond issues which aggregate less than \$1,000,000, as such offerings are totally exempted from Rule 15c2-12.



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](mailto: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](mailto:sam.lester@tea.state.tx.us).

Sincerely,

A handwritten signature in black ink, appearing to read "Twanna Buford".

Twanna Buford  
Manager of Facilities and Transportation  
State Funding Division

TB/sl



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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.

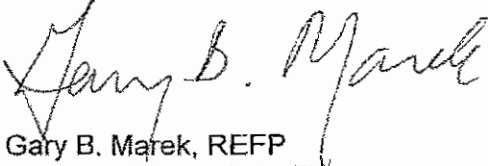
Please note the following requirements relating to expenditures. An issue shall be treated as meeting the expenditure requirements if, as of the date of issuance, the district reasonably expects that:

- 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.

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](mailto:gary.marek@tea.state.tx.us).

Sincerely,

A handwritten signature in black ink that reads "Gary B. Marek". The signature is written in a cursive style with a large, stylized "G" and "M".

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

**\$3,600,000**  
**MAY INDEPENDENT SCHOOL DISTRICT**  
**UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2011**

**PURCHASE CONTRACT**

June 29, 2011

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

Ladies and Gentlemen:

The undersigned, First Financial Bank, N.A., Abilene, Texas (the "Purchaser"), offers to enter into this Purchase Contract (this "Contract") with the May Independent School District (the "Issuer"). This offer is made subject to the Issuer's acceptance of this Contract on or before 10:00 PM, Central time on the date hereof.

**1. Purchase and Sale of the Bonds.** Upon the terms and conditions and upon the basis of the representations set forth herein, the Purchaser hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Purchaser, an aggregate of \$3,600,000 principal amount of those "May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011" (the "Bonds"). The Bonds will be dated July 22, 2011 (the "Dated Date"), mature in the amounts, at the times, and bear interest from the date of the Closing (defined herein) at the rates, all as specified in Schedule I hereto. The purchase price for the Bonds will be \$3,600,000.00.

**2. Bonds.** The Bonds will be as described in and will be issued and secured under the provisions of the order adopted on this date by the Issuer (the "Order"). The Bonds will be subject to optional redemption and will be payable also as provided in the Order.

**3. Representations, Warranties, and Agreements of Purchaser.** The Purchaser hereby makes the following representations and warranties to the Issuer:

(a) The Purchaser has the full right, power, and authority to enter into this Contract, and this Contract constitutes a valid and binding obligation of the Purchaser, enforceable in accordance with its terms, except as the same may be limited by bankruptcy, insolvency, moratorium, reorganization, or other laws of general application affecting the enforcement of creditors' rights or by equitable principles, and subject to the unavailability in any jurisdiction of specific performance or any other equitable remedy.

(b) The Purchaser is a sophisticated and well informed purchaser, has knowledge and experience in financial and business matters relating to the purchase of the Bonds, and is capable of evaluating the merits and risks (including the security pledged to the payment of the Bonds) of such purchase and protecting its interests in connection with this financing. The Purchaser has the financial ability to bear the economic risks of purchasing the Bonds, including the complete loss of value.

(c) The Purchaser understands the term "accredited investor" as used in Regulation D promulgated under the Securities Act of 1933, as amended, and the Purchaser hereby represents and warrants that such Purchaser is an "accredited investor" for purposes of acquiring the Bonds.

(d) The Purchaser has made its own inquiry and analysis with respect to the Bonds, the security therefor, the property to be financed with the proceeds of the Bonds, and other material factors affecting the security and payment of the Bonds and, except as set forth in this Contract and the documents, instruments, and agreements executed in connection herewith, the Purchaser has not relied upon any statement (other than those set forth in such documents, instruments, and agreements) by the Issuer, its officers, trustees, or employees, or its financial consultants or legal advisors in connection with such inquiry and analysis or in connection with the offer and sale of the Bonds.

(e) The Purchaser acknowledges that it and its representatives have been furnished, prior to the date hereof, or will be furnished at or prior to the Closing pursuant to the terms of this Contract, all documents and certificates executed in connection with the authorization and issuance of the Bonds and all information concerning the financing needed to make an informed decision with respect to its purchase of the Bonds. The Purchaser further acknowledges that it has full opportunity to ask questions and receive answers from officers and representatives of the Issuer concerning the financing and to obtain any additional information that the Issuer possesses which was necessary to verify the accuracy of the information regarding the Issuer, the financing, or otherwise desired in connection with its evaluation of the decision to purchase the Bonds.

(f) The Purchaser is purchasing the Bonds for its own account as evidence of a loan, and the Purchaser has no present intention of reselling or distributing the Bonds. In making the foregoing representation, the Purchaser is aware that it must bear the economic risk of such purchase for an indefinite period of time, and, in the event that the Bonds are sold by the Purchaser, such sale may only be made to persons who are able to and do confirm in writing to the Issuer in advance of such sale the representations contained in paragraphs (a) through (f) hereof.

**4. Closing.** At 10:00 A.M., Central time, on July 22, 2011, or such other date as the parties agree to (the "Closing"), the Issuer will deliver the Initial Bond (as defined in the Order) numbered I-1 to the Purchaser, in the form requested by the Purchaser, duly executed and authenticated, together with the other documents hereinafter mentioned, and the Purchaser will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph I hereof in immediately available funds. Delivery and payment as aforesaid will be made at the offices of the Purchaser or such other place as will have been mutually agreed upon by the Issuer and the Purchaser. The Initial Bond will be delivered in typed form; will be prepared and delivered as a fully registered obligation in the single denomination of \$3,600,000; and will be registered by the Comptroller of Public Accounts of the State of Texas.

**5. Conditions.** The Purchaser has entered into this Contract in reliance upon the representations and warranties of the Issuer contained herein and to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of Closing. Accordingly, the Purchaser's obligations under this Contract to purchase and pay for the Bonds will be subject to the performance by the Issuer of its obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and will also be subject to the following conditions:

(a) The representations and warranties of the Issuer contained herein will be true, complete, and correct in all material respects on the date hereof and on and as of the date of Closing, as if made on the date of Closing;

(b) At the time of the Closing, the Order will be in full force and effect and will not have been amended or supplemented except as may have been agreed to by the Purchaser;

(c) At the time of the Closing, all official action of the Issuer related to the Order will be in full force and effect and will not have been amended, modified, or supplemented;

(d) The Issuer will not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money; and

(e) At or prior to the Closing, the Purchaser will have received one copy of each of the financing documents, the approving opinion of the Attorney General of Texas and the bond counsel opinion.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Purchaser to purchase, to accept delivery of, and to pay for the Bonds as set forth in this Contract, or if the obligations of the Purchaser to purchase, to accept delivery of, and to pay for the Bonds shall be terminated for any reason permitted by this Contract, this Contract will terminate and neither the Purchaser nor the Issuer will be under further obligation hereunder, except that the respective obligations of the Issuer and the Purchaser set forth in Paragraphs 6 and 9 hereof will continue in full force and effect.

**6. Expenses.** The Purchaser will be under no obligation to pay, and the Issuer will pay, any expenses incident to the performance of the Issuer's obligations hereunder, including but not limited to: (i) the cost of the preparation and, if necessary, printing of the Bonds; (ii) the fees and expenses of Bond Counsel to the Issuer; and (iii) the fees and disbursements of the Issuer's accountants, advisors, and of any other experts or consultants retained by the Issuer.

**7. Notices.** Any notice or other communication to be given to the Issuer under this Contract may be given by delivering the same in writing at the address for the Issuer set forth above, and any notice or other communication to be given to the Purchaser under this Contract may be given by delivering the same in writing to First Financial Bank, N.A., Abilene, Texas, Attn: Chris Evatt, 400 Pine Street, Abilene, Texas 79601. The Issuer agrees to give the Purchaser written notice by first class mail of any proposed amendment of the Order under Section 16 thereof at least 45 days prior to the effective date of such proposed amendment.

**8. Termination.** The Purchaser will have the right to cancel its obligation to purchase the Bonds if, between the date of this Contract and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the reasonable judgment of the Purchaser (as evidenced by a written notice to the District terminating the obligation of the Purchaser to accept delivery of and pay for the Bonds), by the occurrence of any of the following:

(a) legislation be introduced in or enacted (or order passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release, or other form of notice issued or made by or on behalf of the United States Securities and Exchange Commission (the "SEC"), or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other

requirements of the Trust Indenture Act of 1939, or that the Order is not exempt from qualification under or other requirements of such Trust Indenture Act, or that the offering, sale, or delivery of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby, is or would be in violation of the federal securities law as amended and then in effect;

(b) a general suspension of trading in securities on the New York Stock Exchange or the American Stock Exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, or a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(c) any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, or any other federal or state agency, or by Congress of the United States, or by Executive Order;

(d) any amendment to the United States Constitution or the Texas Constitution or action by any federal or state court, legislative body, regulatory body, or other authority materially adversely affecting the tax status of the Issuer, its property, income securities (or interest thereon), or the validity or enforceability of the assessments or the levy of ad valorem taxes to pay principal of and interest on the Bonds;

(e) (i) an outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war occurs; or (ii) the occurrence of any other calamity or crisis or any change in the financial, political, or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (i) or (ii), in the reasonable judgment of the Purchaser, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner described in the Order.

**9. Parties in Interest.** This Contract is made solely for the benefit of the Issuer and the Purchaser (including the successors or assigns of the Purchaser) and no other person will acquire or have any right hereunder or by virtue hereof. The Issuer's representations, warranties, and agreements contained in this Contract will remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of the Purchaser and (ii) delivery of any payment for the Bonds hereunder; and the Purchaser's representations and warranties contained in Paragraph 3 of this contract, will remain operative and in full force and effect, regardless of any termination of this Contract.


**10. Counterparts.** This Purchase Contract may be executed in several counterparts, each of which will be regarded as an original and all of which will constitute one and the same instrument. The section headings of this Purchase Contract are for convenience of reference only and will not affect its interpretation.

(Remainder of this page intentionally left blank)

11. **Effective Date.** This Contract will become effective upon the execution of the acceptance hereof by the President of the Board of Trustees of the Issuer and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

**FIRST FINANCIAL BANK, N.A.**  
**ABILENE, TEXAS**

By  \_\_\_\_\_

Name: Chris Evatt

Title: Senior Vice President

Accepted:

This 29<sup>th</sup> day of June, 2011 at \_\_\_\_\_ PM Central time.

**MAY INDEPENDENT SCHOOL DISTRICT**

By \_\_\_\_\_  
President, Board of Trustees

11. **Effective Date.** This Contract will become effective upon the execution of the acceptance hereof by the President of the Board of Trustees of the Issuer and will be valid and enforceable as of the time of such acceptance.

Very truly yours,

**FIRST FINANCIAL BANK, N.A.  
ABILENE, TEXAS**

By \_\_\_\_\_


Name: \_\_\_\_\_

Title: \_\_\_\_\_

Accepted:

This 29<sup>th</sup> day of June, 2011 at 7:15 PM Central time.

**MAY INDEPENDENT SCHOOL DISTRICT**

By   
President, Board of Trustees

## SCHEDULE I

### Schedule of Terms

**\$3,600,000**

**May Independent School District**

**Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011**

**Interest accrues from: July 22, 2011**

**Tax Credit Rate: 5.21%**

<b>Maturity (July 15)</b>	<b>Principal Amount</b>	<b>Interest Rate</b>
2012	\$237,000	5.38%
2013	238,000	5.38
2014	238,000	5.38
2015	238,000	5.38
2016	239,000	5.38
2017	239,000	5.38
2018	240,000	5.38
2019	240,000	5.38
2020	240,000	5.38
2021	241,000	5.38
2022	241,000	5.38
2023	242,000	5.38
2024	242,000	5.38
2025	242,000	5.38
2026	243,000	5.38

(a) *Optional Redemption* — THE DISTRICT reserves the right, at its option, to redeem the Bonds maturing on or after July 15, 2022 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on July 15, 2021 or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bond or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

(b) *Special Mandatory Redemption* — 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 above by the close of the 3-year period beginning on the date of delivery of the Bonds (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 Bonds 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 Bonds to the date fixed for redemption, payable from such unexpended proceeds held by the District.

(c) *Extraordinary Optional Redemption* — Upon the occurrence of an Extraordinary Event (as defined below), the Bonds are subject to special optional redemption, at the option of the District, prior to their maturity date, in whole or in part, on the date designated by the District at the Make Whole Redemption Price.

The "Make-Whole Redemption Price" means the amount equal to the greater of the following:

1. The initial offering price of the Bonds set forth above (but not less than 100% of the principal amount of the Bonds to be redeemed) or
2. The sum of the present value of the remaining scheduled payments of principal and interest on the Bonds to be redeemed to the maturity date of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semiannual basis, assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus in each case accrued interest on the Bonds to be redeemed to the redemption date.

For the purpose of determining the Make-Whole Redemption Price, "Treasury Rate" means, with respect to any redemption date for a particular Bond, 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) (the "Statistical Release") that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if the 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 Bonds to be redeemed; provided, however that if the period from the redemption date to the 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 shall be used.

The term "Extraordinary Event" means (a) a final determination by the Internal Revenue Service ("IRS") (after the District has exhausted all administrative appeal remedies) 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; (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 and specifying the Date of Loss of Qualified School Construction Bond Status; (c) the occurrence of a material adverse change under Section 54F or 6431 of the Code; (d) the publication by the IRS or the United States Treasury of any guidance with respect to such sections; or (e) any other determination by the IRS or the United States Treasury, which determination is not the result of a failure of the District to satisfy certain requirements of the Order, if as a result of an event as described in (c), (d), or (e) of this sentence, the Subsidy Payments expected to be received with respect to the Bonds are eliminated or reduced, as reasonably determined by the Superintendent of the District or his designee, which determination shall be conclusive.

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 Order or the Bonds and which act or failure to act causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (b) the making by the District of any representation contained in the Order or the Bonds, which representation was untrue when made and the untruth of which representation at such time causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

The Make-Whole Redemption Price will be determined by an independent accounting firm, investment banking firm, or financial advisor retained by and at the expense of the Issuer to calculate such redemption price. The determination of the Make-Whole Redemption Price by such independent accounting firm, investment banking firm, or financial advisor shall be conclusive and binding on the Issuer and the Bondholders and the Paying Agent/Registrar and the Issuer will be permitted to conclusively rely on such determination.

## GENERAL CERTIFICATE

We, the undersigned, President and Secretary, respectively, of the Board of Trustees of the May Independent School District (the "District"), hereby certify as follows:

1. This certificate is executed for and on behalf of the District for the benefit of the Attorney General of the State of Texas and the owners of the "MAY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2011", dated July 22, 2011, in the aggregate principal amount of \$3,600,000 (the "Bonds"), authorized by an order passed by the Board of Trustees of the District on June 29, 2011 (the "Order").

2. The currently effective ad valorem tax appraisal roll of the District (the "Tax Roll") is the Tax Roll prepared and approved during the calendar year 2010 being the most recently approved Tax Roll; the taxable property in the District has been appraised, assessed, and valued as required and provided by the Texas Constitution and Property Tax Code (collectively, "Texas law"); the Tax Roll for said year has been submitted to the Board of Trustees of the District as required by Texas law and has been approved and recorded by said Board of Trustees; and according to the Tax Roll for said year the net aggregate taxable value of taxable property in the District (after deducting the amount of all applicable exemptions required or authorized under Texas law), upon which the annual ad valorem tax of the District has been or will be imposed and levied, is \$129,430,911.

3. The aggregate principal amount of the tax bond indebtedness of the District after the issuance of the Bonds is \$4,940,000.00 consisting of unlimited tax bonds in the amount of \$4,940,000.00 and contractual obligations in the amount of \$0.00. Attached hereto as Exhibit A is a debt service schedule of the District's tax-supported indebtedness after issuance of the Bonds. On closing, the District will have \$4,940,000.00 in outstanding non-exempt debt that is subject to the provisions of section 45.0031, as amended, Texas Education Code. Attached hereto as Exhibit B are calculations that demonstrate the District's ability to pay the Bonds in accordance with section 45.0031, as amended, Texas Education Code.

4. The following persons are the duly qualified and acting trustees and officials of the District:

### TRUSTEES

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

### OFFICIALS

Donald Rhodes	Superintendent
Teresa Lawrence	Business Manager

5. No changes have been made in the boundaries of the District in any manner since the date upon which the election was ordered which authorized the issuance of the most recently issued outstanding tax bonds of the District, to-wit: May Independent School District Unlimited Tax Refunding

Bonds, Series 2009, dated September 15, 2009; and since the aforesaid election no litigation or proceedings whatsoever have been filed in any court of this State or with any County, Board of Trustees, the State Commissioner of Education, or the State Board of Education questioning the validity or the boundaries of the District, and no such litigation or proceedings are pending.

6. The District is an independent school district duly established, operating, and existing under the laws of the State of Texas, situated within the Counties of Brown and Comanche, State of Texas. All of the meetings held by the Board of Trustees of the District pursuant to which any proceedings were passed, adopted, and approved in connection with the Bonds were meetings open to the public for which public notice had been given as required by law and particularly as required by Chapter 551, as amended, Texas Government Code. The District is currently in good standing with and duly accredited by the Texas Education Agency.

7. The District's maintenance tax was voted pursuant to the provision of Article 2784e-1, Texas Revised Civil Statutes Annotated, on April 3, 1954, in an amount not to exceed \$1.50 per \$100 assessed value. The District's levies a maintenance tax of \$1.04 on the \$100 valuation of taxable property. A copy of the minutes of the meeting reflecting the adoption on August 31, 2010, of such tax rate is attached hereto as Exhibit C.

8. The bond election held in the District on May 14, 2011 was duly conducted and held in compliance with the requirements of the Texas Election Code and the Federal Voting Rights Act, including the bilingual requirements thereunder.

SIGNED AND SEALED this July 22, 2011.



Secretary, Board of Trustees  
May Independent School District



President, Board of Trustees  
May Independent School District

(SEAL)

**EXHIBIT A**  
**TO**  
**THE GENERAL CERTIFICATE**  
**RELATING TO**  
**MAY INDEPENDENT SCHOOL DISTRICT**  
**UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, SERIES 2011**  
**Debt Service Schedule**

# MAY INDEPENDENT SCHOOL DISTRICT

## U/L Tax Qualified School Construction Bonds, Taxable Series 2011

Funding Date = 07/22/2011  
Tax Credit Rate 5.21% Set 6/29/2011

Dates	Principal Amount	Coupon Rate	Interest Amount	Debt Service	Total	Tax Credit Rate	Federal Rebate Amount	Net Rate to MSD	Net Interest Cost to MSD	Net Total Debt Service	Net Fiscal Year Debt Service
7/15/2012	\$237,000	5.38	\$189,914.00	\$426,914.00	\$426,914.00	5.21	\$183,913.00	0.17	\$5,001.00	\$243,001.00	\$243,001.00
7/15/2013	\$238,000	5.38	\$180,929.40	\$418,929.40	\$418,929.40	5.21	\$175,212.30	0.17	\$5,717.10	\$243,717.10	\$243,717.10
7/15/2014	\$238,000	5.38	\$168,125.00	\$406,125.00	\$406,125.00	5.21	\$162,812.50	0.17	\$5,312.50	\$243,312.50	\$243,312.50
7/15/2015	\$238,000	5.38	\$155,320.60	\$393,320.60	\$393,320.60	5.21	\$150,412.70	0.17	\$4,907.90	\$242,907.90	\$242,907.90
7/15/2016	\$239,000	5.38	\$142,516.20	\$381,516.20	\$381,516.20	5.21	\$138,012.90	0.17	\$4,503.30	\$243,503.30	\$243,503.30
7/15/2017	\$239,000	5.38	\$129,658.00	\$368,658.00	\$368,658.00	5.21	\$125,561.00	0.17	\$4,097.00	\$243,097.00	\$243,097.00
7/15/2018	\$240,000	5.38	\$116,799.80	\$356,799.80	\$356,799.80	5.21	\$113,109.10	0.17	\$3,690.70	\$243,690.70	\$243,690.70
7/15/2019	\$240,000	5.38	\$103,887.60	\$343,887.60	\$343,887.60	5.21	\$100,605.10	0.17	\$3,282.70	\$243,282.70	\$243,282.70
7/15/2020	\$240,000	5.38	\$90,975.80	\$330,975.80	\$330,975.80	5.21	\$88,101.10	0.17	\$2,874.70	\$242,874.70	\$242,874.70
7/15/2021	\$241,000	5.38	\$78,063.80	\$319,063.80	\$319,063.80	5.21	\$75,597.10	0.17	\$2,466.70	\$243,466.70	\$243,466.70
7/15/2022	\$241,000	5.38	\$65,098.00	\$306,098.00	\$306,098.00	5.21	\$63,041.00	0.17	\$2,057.00	\$243,057.00	\$243,057.00
7/15/2023	\$242,000	5.38	\$52,132.20	\$294,132.20	\$294,132.20	5.21	\$50,484.90	0.17	\$1,647.30	\$243,647.30	\$243,647.30
7/15/2024	\$242,000	5.38	\$39,112.60	\$281,112.60	\$281,112.60	5.21	\$37,876.70	0.17	\$1,235.90	\$243,235.90	\$243,235.90
7/15/2025	\$242,000	5.38	\$26,093.00	\$268,093.00	\$268,093.00	5.21	\$25,268.50	0.17	\$824.50	\$242,824.50	\$242,824.50
7/15/2026	\$243,000	5.38	\$13,073.40	\$256,073.40	\$256,073.40	5.21	\$12,960.30	0.17	\$413.10	\$243,413.10	\$243,413.10
<b>Total</b>	<b>\$3,600,000</b>		<b>\$1,551,699.60</b>	<b>\$5,151,699.60</b>	<b>\$5,151,699.60</b>		<b>\$1,502,668.20</b>		<b>\$49,031.40</b>	<b>\$3,649,031.40</b>	<b>\$3,649,031.40</b>

### Sources of Funds:

Qualified School Construction Bonds	\$3,600,000
Issuer Contribution	\$28,900
<b>Total Sources</b>	<b>\$3,628,900</b>

### Uses of Funds:

Deposit to Construction Fund	\$3,528,000
Financial Advisor- GCSC	\$72,000
Bond Counsel- Naman Howell PLLC	\$20,000
Purchasers Counsel- Andrews Kurth LLP	\$3,000
Attorney General	\$3,600
PSF Insurance	\$2,300
<b>Total Uses</b>	<b>\$3,628,900</b>

**EXHIBIT B**  
  
TO  
THE GENERAL CERTIFICATE  
RELATING TO  
MAY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, SERIES 2011

**Bond Tax Test #1**

$$0.50 \times \text{TAV} / 100 \times \text{CF} \geq \text{MDS}$$

$$0.50 \times \$1,294,309 \times 0.90 = \$582,439.05$$

$$\$582,439 \geq \$392,067$$

TAV	=	latest assessed valuation taxable property in District divided by 100	\$1,294,309
MDS	=	maximum annual non-exempt debt service on school year basis	\$392,067
CF	=	collection factor of 90% or the average for the most recent three years	90%

**EXHIBIT C**  
**TO**  
**THE GENERAL CERTIFICATE**  
**RELATING TO**  
**MAY INDEPENDENT SCHOOL DISTRICT**  
**UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, SERIES 2011**  
**Maintenance and Operations Tax Order**

**MAY INDEPENDENT SCHOOL DISTRICT**  
**7:00 P.M., Tuesday, August 31, 2010**  
**May ISD Library**

**Public Meeting to discuss the budget and proposed tax rate for 2010-11**

**Agenda**

☐ REGULAR MEETING                      DATE:

☒ SPECIAL MEETING                      TIME:

☐ CLOSED SESSION                      LOCATION:

**BOARD MEMBERS IN ATTENDANCE:**

☒ Bo. E. Allen, President                      ☒ Kevin Mote

☒ Joe Crume                      ☒ Jeff Phillips, Vice-President

☒ Jeff Hoskinson                      ☐ Ada Turner, Secretary

☒ Katy Lord

**PRESIDING OFFICER:**

**ADMINISTRATION PRESENT:** ☒ Don Rhodes, Superintendent

☒ Jeff Fleenor, Elementary Principal

☒ Steve Howard, High School Principal and  
Athletic Director

**VISITORS:** Vella Pallette

Call to order at: 8:15 pm                      by: Bo Allen, President,

Roll call: present listed above

Declaration of quorum.

**Administration present:** listed above

1. Public comments / audience participation

Mr. Howard acknowledged that Ginger Anderson, Jr. High & High School Science Teacher, had an article that she co-authored in Classroom Astronomer Magazine.

2. Consent agenda

- a. Reading and approval of minutes of the previous meeting
- b. Consider approving accounts payable and salary vouchers

Motion by Mote second by Lord to approve items:

- a) Minutes of previous special meeting as presented dated 8/18/2010.
- b) Accounts payable & salary vouchers as per attached.

Motion carried full favor.

3. Budget and Tax rates.

- a. Amend 2009-10 Expenditure Budget

Motion by Hoskinson second by Crume to amend the 2009-10 expenditure budget as of August 31, 2010. Motion carried full favor

- b. Adopt 2010-11 school year maintenance & operations proposed tax rate

Motion by Crume second by Hoskinson to set the 2010-11 M& O tax rate at \$1.04. Motion carried full favor

- c. Adopt 2010-11 school year bonded debt service tax rate

Motion by Phillips second by Lord to set the 2010-11 I&S tax rate \$0.0987. Motion carried full favor.

4. Employees & Officers

- a. Hire school nurse/classroom aide

Motion by Lord second by Hoskinson to hire Rachel Beal as school nurse/classroom aide subject to assignment. Motion carried full favor.

5. Facilities & Construction

- a. Discuss facilities repair & construction

Motion by Hoskinson second by Crume to have Katy Lord to head up a facilities needs assessment committee. Motion carried full favor

6. Finances

- a. Discuss financing facilities repair & construction

Mr. Rhodes advised board that the school district has been approved and is now eligible to use a Qualified School Construction Bond sponsored by the Texas Education Agency for up to \$4.2 million dollars for any new construction and repairs of building. The use of the funds must begin by June 24, 2011 for the district to remain eligible and to be able to access the bond funds. Bond funds may be financed in several ways including tax maintenance notes which bonds would be repaid with M&O funds or through a bond election which bonds would be repaid with I&S funds.

7. Administration reports

- a. Elementary campus principal

Mr. Fleenor reported that enrollment for EC-Grade 6 is 163 students. He reported that a new component of the Accelerated Reading Program call STAR TEST that would be more able to monitor reading goals and objectives. A Spanish program has been added to the elementary curriculum and incorporated into the technology classes. The technology classes will still concentrate on keyboarding skills, word processing in the elementary classes. Mr. Fleenor reported that classroom teachers were heavily involved in the new Cscope curriculum. Teacher time now is spent a lot on incorporating and using Cscope in their classroom instruction. He reported that the students have 6 new state adopted textbooks this year.

b. Secondary campus principal

Mr. Howard reported that the high school schedule is still being adjusted to meet the students' courses needed for graduation.

c. Athletic director

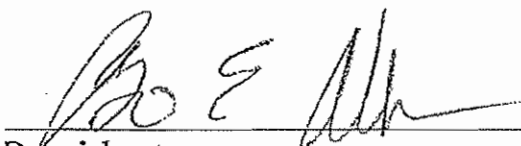
Mr. Howard reported that a X-country meet is scheduled at May Sports Complex on Tuesday, September 14<sup>th</sup>.

d. Superintendent

8. Next meeting items

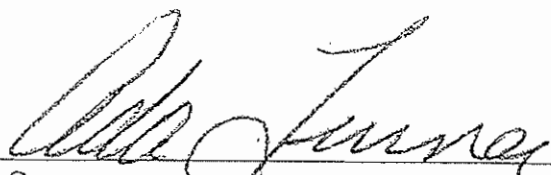
TASB Policy Update 88

Adjourn Time: 9.15 pm



President

Bo E. Allen



Secretary

Ada Turner

## **SIGNATURE IDENTIFICATION AND NO-LITIGATION CERTIFICATE**

We, the undersigned, hereby certify as follows that:

(1) This certificate is executed and delivered with reference to that issue of "MAY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS, TAXABLE SERIES 2011" (the "Bonds"), dated as of July 22, 2011 in the aggregate principal amount of \$3,600,000.

(2) We, the undersigned President and Secretary of the Board of Trustees of May Independent School District (the "District"), officially executed and signed the Bonds by manually signing the Bonds or causing facsimile signatures to be impressed or lithographed on each of the Bonds.

(3) The Bonds are substantially in the form, and have been duly executed and signed in the manner, prescribed in the Order authorizing the issuance of the Bonds.

(4) At the time we so executed and signed the Bonds we were, and at the time of executing this certificate we are, the duly chosen, qualified, and acting officers indicated therein, and authorized to execute same.

(5) No litigation of any nature has been filed or is now pending before any federal or state court, or administrative body to which the District is a party that seeks to restrain or enjoin the issuance or delivery of any of the Bonds, or which would affect the provision made for their payment or security, or in any manner questioning the proceedings or authority concerning the sale or issuance of the Bonds, and that so far as we know and believe no such litigation is threatened.

(6) Neither the corporate existence nor boundaries of the Issuer is being contested, no litigation has been filed or is now pending or, to our knowledge, threatened, which would affect the authority of the officers of the District, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked, or rescinded.

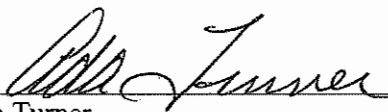
(7) We have caused the official seal of the District to be impressed, or printed, or lithographed on each of the Bonds and on this Certificate, and said seal has been duly adopted as, and is hereby declared to be, the official seal of the District.

[Signatures follow]

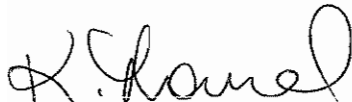
EXECUTED and delivered this July 22, 2011.

MANUAL SIGNATURES

OFFICIAL TITLES

  
Ada Turner

President, Board of Trustees

  
Kathryn Lord

Secretary, Board of Trustees

[SEAL]

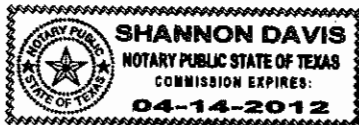
STATE OF TEXAS §

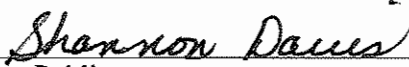
COUNTY OF BROWN §

The undersigned, a Notary Public, certifies and represents that Ada Turner and Kathryn Lord are known to me to be the President and the Secretary, respectively, of the Board of Trustees of the May Independent School District, and in my presence each executed this instrument before me in the capacity represented and each of said person's signature appearing above is genuine.

Given under my hand and seal of office this 6<sup>th</sup> day of July, 2011.

(NOTARY SEAL)



  
Notary Public

## FEDERAL TAX CERTIFICATE

### May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011

I, the undersigned officer of May Independent School District, 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 Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, in the aggregate principal amount of \$3,600,000 (the "Bonds"), which are 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 Bonds. 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 order approved by the Board of Trustees of the District on June 29, 2011 (the "Order"). I am aware of the provisions of Sections 54A, 54F, and 148 of the Internal Revenue Code of 1986, as amended (the "Code"), any 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 meaning as given to those terms in the Code and the Regulations. A capitalized term used in this Certificate (unless otherwise indicated herein) shall have the meaning given to it in the Order.

**2. Reasonable Expectations.** As an officer of the District responsible for issuing the Bonds, 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 Bonds and other matters relevant to the treatment of the Bonds 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 of Government Capital Securities Corporation, the placement agent (the "Placement Agent") to the District with respect to the Bonds, in the Certificate of Placement Agent attached hereto as Exhibit A. 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 Bonds.** The District is issuing the Bonds to provide funds, which will be used (i) for construction, acquisition, and equipment of public school facilities located within the jurisdiction of the District, as more completely described in the Order and the QSCB Application (as defined below) (the "Project"), and (ii) to pay the costs of issuing the Bonds.

**4. Qualified School Construction Bond Requirements.**

(a) **Designation as "Qualified School Construction Bonds".** The District has designated, and hereby designates, the Bonds as "qualified school construction bonds" within the meaning of Section 54F(a)(3) of the Code.

(b) **Section 6431 Election.** Pursuant to Section 54A of the Code, the District irrevocably elects to treat the Bonds as "specified tax credit bonds" and receive direct payments of the credit (individually, the "Federal Subsidy") as permitted by Section 6431(f) of the Code

with respect to all of the Bonds.

(c) **Available Project Proceeds.** One hundred percent of the “Available Project Proceeds” of the Bonds (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 Bonds to be paid with proceeds from the sale of the bonds do not exceed two percent of such proceeds.

(e) **Approval by the Texas Education Agency.** The District received the final approval by the Texas Education Agency (the “TEA”) that the Bonds meet the TEA’s eligibility requirements for Qualified School Construction Bonds, 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 an extension of the deadline to issue debt in the TEA’s letter dated June 3, 2011, attached hereto as Exhibit B and incorporated herein by reference. The District will use \$3,600,000 of its allocation with the issuance of the Bonds.

(f) **Qualified Purposes.** One hundred percent of the Available Project Proceeds of the Bonds will be used to construct, rehabilitate, and repair school buildings located within the jurisdiction of the District, as described in the Order 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 C. Land, if any, to be financed with proceeds of the Bonds will constitute land on which the new school facility, or portion thereof, being financed with proceeds of the Bonds, will be located. In addition, any equipment financed with proceeds of the Bonds will constitute equipment installed into a school facility or portion thereof, the construction or renovation of which is also financed with proceeds of the Bonds.

(g) **Davis Bacon Act.** The District acknowledges that the provisions of Subchapter IV of Chapter 31 of Title 40 of the United States Code and related Act and regulations thereunder, commonly referred to as the “Davis Bacon Act” (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 with proceeds of the Bonds. 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 Bonds.

(h) **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 Bonds, as published by the Bureau of Public Debt on June 29, 2011 and set forth in the Exhibit D, is 16 years. No maturity of the Bonds has a maximum term exceeding 16 years.

(i) **IRS Form 8038-TC.** Attached hereto as Exhibit E 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 Bonds. I, the undersigned officer of the District, have reviewed the IRS Form 8038-TC, attached as Exhibit E, 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 pursuant to IRS Notices 2009-35 and 2011-35.

(j) **Permitted Invested Sinking Fund.** The District may create a debt service fund (the "Invested Debt Service Fund") to be used to pay the debt service on the Bonds. If the District creates an Invested Debt Service Fund, it will fund such Invested Debt Service Fund no more rapidly than in equal annual installments, will fund and invest the Invested Debt Service Fund in a manner expected to result in an amount no greater than an amount necessary to repay the Bonds at maturity, and will invest the Invested 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 June 29, 2011, as 4.54 percent. See Exhibit E hereto.

(k) **Conflict of Interest.** As required by Section 54A of 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 Bonds. 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. 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. Any capitalized term in this Paragraph 4(k) not otherwise defined this Certificate shall have the meaning ascribed to such term in Section 176.001 of the Texas Local Government Code.

5. **Sale of the Bonds.** The Bonds were privately placed with the First Financial Bank, N.A., Abilene, Texas. (the "Purchaser"), which purchased the Bonds for \$3,600,000.00, the principal amount of the Bonds.

6. **Amount and Use of Proceeds of the Bonds.** The sale proceeds from the sale of the Bonds equal to \$3,600,000.00 will be expended and applied by the District as follows:

(a) The amount of \$3,528,000.00 will be used to pay the costs of the Project.

(b) The amount of \$72,000.00 will be used to pay costs of issuing of the Bonds, which amount does not exceed two percent of the proceeds from the sale of the Bonds.

7. **Investment of the Proceeds of the Bonds.** The District expects that 100 percent of the Sale Proceeds remaining after paying costs of issuance, plus investment earnings (the "Available Project Proceeds"), will be expended within three years from the date hereof to pay costs of the Project. The District may invest the Available Project Proceeds of the Bonds for the three-year expenditure period without regard to Yield or rebate payments, as permitted by 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 Bonds prior to expenditure to be \$8,767.08. The District will use such earnings in addition to the sale proceeds of the Bonds to pay costs of the Project.

8. **Expenditure and Redemption Requirements.** The District reasonably expects to meet the following requirements, as of the date hereof: (a) 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; (b) 100 percent of the Available Project Proceeds of the Bonds will be spent for one or more qualified purposes of the Project within the 3-year period beginning on the date hereof; and (c) to the extent 100 percent of the Available Project Proceeds are 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 Bonds as of such date to redeem all nonqualified maturities of the Bonds within 90 days of such date (including any extensions described above pursuant to Section 59(A)(d)(2)(B) of the Code).

**9. No Other Sinking Funds.** Other than the Invested 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 Bonds, or which are reserved or pledged as collateral for payment of debt service on the Bonds and (b) for which there is reasonable assurance that amounts therein will be available to pay debt service on the Bonds if the District encounters financial difficulties. Use of amounts in the Invested 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 Bonds.

**10. Replacement Proceeds.** Other than the Invested 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 Bonds and amounts to be held in the Invested Debt Service Fund for the payment of debt service on the Bonds which have or will have at any time a sufficiently direct nexus to the Bonds or to any governmental purpose of the Bonds to conclude that such amounts would have been used for that governmental purpose if the proceeds of the Bonds were not used or to be used for that governmental purpose. More specifically --

**(a) Sinking Funds and Pledged Funds.** Other than the Invested 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 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 Bonds; and

(ii) any fund, amount, or investment that is directly or indirectly pledged to pay principal or interest on the Bonds. 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 Bonds. Based on the reasonable expectations of the District as of the date hereof, the term of the Bonds is not longer than, and the District will not allow the Bonds to remain outstanding longer than, is reasonably necessary for the governmental purposes for which the being issued. The weighted average maturity of the Bonds does not exceed 120 percent of the reasonably expected economic life of the capital projects being financed by the Bonds, determined in the same manner as provided under Section 147(b) of the Code. In addition, none of the proceeds of the Bonds will be used to finance working capital expenditures.

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

**12. Issue Price.** The Purchaser has purchased the Bonds from the District in a private placement for an aggregate purchase price of \$3,600,000.00, the principal amount of the Bonds. The Purchasers purchased the Bonds 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 Bonds are not being offered for sale to the public, are not being issued in exchange for property, and are being issued without pre-issuance accrued interest. Based on the foregoing and on the Certificate of Placement Agent, attached as Exhibit A and incorporated herein by reference, the Issue Price of the Bonds, without taking into account any costs of issuance or pre-issuance accrued interest, is \$3,600,000.00.

**13. Yield on the Bonds.** 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 Bonds, 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 Bonds produces an amount equal to (i) the Issue Price of the Bonds, plus (ii) pre-issuance accrued interest on the Bonds as of the Issue Date. Yield on the Bonds shall not take into account or reflect any underwriter's discount, cost of issuance of the Bonds, or the tax credit permitted by Section 54A of the Code. The yield on the Bonds, calculated in this manner and as stated in the Certificate of Placement Agent, attached hereto as Exhibit A, is 5.38 percent.

**14. Weighted Average Maturity.** As calculated by the Placement Agent in the manner described below and set forth in the Certificate of Placement Agent, Exhibit A hereto, the weighted average maturity of the Bonds is 8.012 years, which, is the sum of the products of the Issue Price of each group of identical maturities of the Bonds and the number of years to maturity (determined separately for each group of identical maturities of the Bonds and taking into account mandatory redemptions), divided by the aggregate sale proceeds of the Bonds.

**15. 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 Bonds (within 15 days), (b) were or expected to be payable from the same source of funds as the Bonds, and (c) were or will be sold pursuant to the same plan of financing as the Bonds.

**16. Permanent School Fund Guarantee.** The payment, when due, of the principal of and interest on the Bonds is guaranteed by the corpus of the Permanent School Fund of the State of Texas (the "PSF"), as set forth in a letter from the Commissioner of Education, pursuant to the authority granted to the Commissioner of Education of the State of Texas under Article 7, Section 5 of the Texas Constitution and Subchapter E of Chapter 20 of the Texas Education Code, as amended. The PSF is a perpetual state trust fund authorized for the benefit of the public schools of the State of Texas which is administered by the Texas State Board of Education. The Board of Education of the State of Texas has certified in a Certificate With Respect To Arbitrage that, as of the date of the Certificate, the total amount of Bonds guaranteed by the PSF (including the Bonds) does not exceed 250 percent of the lower of the amortized cost or the fair market value of the PSF. For purposes of the preceding sentence, the lower of the amortized cost or fair market value of the fund was determined without regard to any additions to the PSF on or after May 15, 1989, of revenues derived from assets that are part of the corpus of the fund (except for amounts received from the sale or other disposition of such assets). In such certificate, the Board of Education also certified that if the Bonds are defeased, the PSF guarantee will be withdrawn in its entirety. No fee has been charged for the guarantee under the PSF except for a nominal charge for administrative costs.

The District represents that: (a) no funds from the Available School Fund and no income of the PSF is reasonably expected to be used (directly or indirectly) for the payment of the principal of or interest on or the tender or retirement price any of the Bonds or any other outstanding Bonds of the District or to fund a reserve or replacement fund for any of the Bonds or any other outstanding Bonds of the District, (b) the Bonds are general obligations of a political subdivision of the State of Texas and the Bonds are not private activity Bonds and (c) substantially all of the proceeds of the Bonds is to be used to carry out

the educational functions specified by Article 7, Section 5 of the Texas Constitution and Subchapter E of Chapter 20 of the Texas Education Code.

**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 Bonds separately from other funds of the District and will compute and pay to the United States Treasury the rebate due with respect to the Bonds 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 Bonds 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 Bonds, or to change the use of the proceeds of the Bonds while any of the outstanding.

**19. No Arbitrage.** On the basis of the foregoing facts, estimates, and circumstances, it is expected that the proceeds of the Bonds will not be used in a manner that would cause any of the Bonds 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.** Except for certain preliminary expenditures (as defined in Section 1.150-2(f)(2) of the Regulations), if any, not exceeding 20 percent of the purchase price (as set forth in paragraph 5 above) of the Bonds, none of the proceeds of the Bonds 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 Bonds is expected to be used to pay any interest on or principal of any issue of governmental obligations other than the Bonds.

**22. Not a Hedge Bond.** Not more than 50 percent of the proceeds of the Bonds will be invested in non-purpose investments (as defined in Section 148(f)(6)(A) of the Code) having 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 Bonds will be used to carry out the governmental purposes of the Bonds within the three-year period beginning on the date the Bonds were issued.

**23. No Abusive Arbitrage Device.** The Bonds are 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 Bonds are 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 Bonds 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 Bonds in an amount higher than is reasonably necessary to accomplish the governmental purposes of the Bonds; the District has not issued the Bonds earlier than is reasonably necessary to accomplish the governmental purposes of the Bonds; and the District is not allowing the Bonds to remain outstanding longer than is reasonably necessary to accomplish the governmental purposes of the Bonds. The District would have issued the Bonds regardless of any arbitrage benefit, which it may realize in connection with the Bonds.

**24. Allocations and Accounting.** The proceeds of the Bonds 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 Bonds, 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 Bonds and the investment of gross proceeds for at least six years after the close of the final calendar year during which the Bonds is outstanding.

**25. Written Procedures To Ensure Compliance.** The District hereby adopts this Federal Tax Certificate and the covenants contained in Section 9 of the Order as written procedures to monitor the compliance by the District with the requirements of Section 148 of the Code with respect to the Bonds. Furthermore, as provided in the Order, the District adopted the procedures set forth in Section 9 of the Order as written procedures to ensure that all nonqualified bonds, if any, at the end of the three-year period beginning on the date hereof (or if an extension of such expenditure period has been received by the District from the Secretary of the Treasury, by the close of such extended period), will be redeemed within 90 days of such date.

*[Signature page follows]*

To the best of my knowledge, information, and belief, and based on the foregoing facts, estimates, and circumstances, the foregoing expectations of the District are reasonable and there are no other facts, estimates, or circumstances which would materially change such expectations.

Dated as of July 22, 2011.

A handwritten signature in black ink, appearing to read "Donald Rhodes", written over a horizontal line.

Donald Rhodes  
Superintendent  
May Independent School District

## EXHIBIT A

### CERTIFICATE OF PLACEMENT AGENT

Government Capital Securities Corporation, as the placement agent (the "Placement Agent") to the May Independent School District (the "District") in connection with the issuance of its Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011 (the "Bonds"), hereby certifies as follows:

1. The undersigned is a duly authorized representative of the Placement Agent in connection with the issuance of the Bonds. In this capacity, the undersigned is knowledgeable with the facts stated herein.

2. The "Issue Price" of the Bonds is equal to the principal amount of the Bonds. The Bonds were not publicly offered but were sold at par pursuant to a private placement with First Financial Bank, N.A., Abilene, Texas (the "Purchaser"). The Purchaser purchased the Bonds pursuant to an arm's length negotiation. The Issue Price of the Bonds does not exceed the fair market value of the Bonds on the date the Bonds were purchased by the Purchaser. Based on the foregoing, the Issue Price of the Bonds is equal to \$3,600,000.00. The Bonds were issued without preissuance accrued interest.

3. 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 Bonds, 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 Bonds produces an amount equal to (i) the Issue Price of the Bonds, plus (ii) any pre-issuance accrued interest on the Bonds as of the Issue Date. Yield on the Bonds shall not take into account or reflect any underwriter's discount, cost of issuance of the Bonds, or the tax credit permitted by Section 54A of the Code. The yield on the Bonds, calculated in this manner, is 5.38 percent.

4. The weighted average maturity of the Bonds is 8.012 years, which is the sum of the products of the Issue Price of each maturity of the Bonds and the number of years to maturity (determined separately for each group of identical maturities of the Bonds and taking into account mandatory redemptions), divided by the aggregate sale proceeds of the Bonds. No maturity of the Bonds exceeds 16 years.

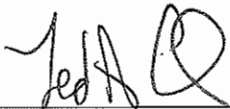
5. With respect to the issuance of the Bonds, the undersigned acknowledges and agrees that, in regard to the Placement Agent, the statements in Section 4(k) of the Federal Tax Certificate of the District are true and correct.

6. 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 bonds as qualified school construction bonds under Section 54F of the Internal Revenue Code of 1986, as amended. I hereby authorize Naman Howell Smith & Lee, PLLC, and Powell & Leon, L.L.P., Co-Bond Counsel to the District to rely on this certificate for purposes of their opinion regarding the treatment of the Bonds as qualified school construction bonds under Section 54F of the Internal Revenue code of 1986, as amended. A capitalized term used herein and not otherwise defined shall have the meaning ascribed to such term in the Federal Tax Certificate to which this certificate is attached.

*[Signature page follows]*

EXECUTED as of July 22, 2011.

GOVERNMENT CAPITAL SECURITIES  
CORPORATION

By:   
Ted Christensen  
Vice President

## **EXHIBIT B**

### **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](http://www.tea.state.tx.us)

Robert Scott  
Commissioner

June 3, 2011

025-905

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

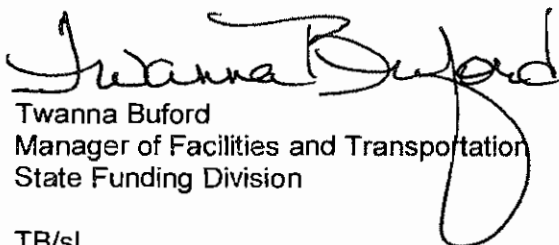
Re: 2010 Qualified School Construction Bond (QSCB) Extension Request

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](mailto: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](mailto:sam.lester@tea.state.tx.us).

Sincerely,



Twanna Buford  
Manager of Facilities and Transportation  
State Funding Division

TB/sl



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://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.

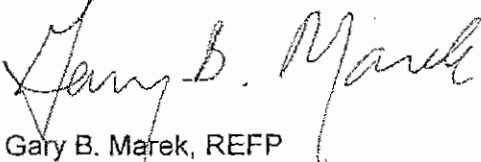
Please note the following requirements relating to expenditures. An issue shall be treated as meeting the expenditure requirements if, as of the date of issuance, the district reasonably expects that:

- 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.

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](mailto:gary.marek@tea.state.tx.us).

Sincerely,

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

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

**EXHIBIT C**  
**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 (check one box only for each project)	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

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**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 D**

**TREASURY DIRECT QUALIFIED SCHOOL CONSTRUCTION  
BOND RATES FOR JUNE 29, 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*
Jun 29, 2011	5.21%	16 years	4.54%

### SEARCH HISTORICAL QTCB RATES

From Date		
Month	Day	Year
6	29	2011

To Date		
Month	Day	Year
6	29	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 E**  
**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.

OMB No. 1545-2160

**Part I Reporting Authority**

Check if Amended Return ☐

1 Issuer's name <b>May Independent School District</b>	2 Issuer's employer identification number (EIN) <b>75-1613852</b>
3 Name of person (other than the issuer) with whom the IRS may communicate about this return (See instructions.) <b>Marshall T. White</b>	4 Report number (For IRS Use Only) <div><div></div><div></div><div></div></div>
5 Number and street (or P.O. Box if mail is not delivered to street address) <b>400 Austin Avenue, Suite 800</b>	
6 City, town, or post office, state, and ZIP code <b>Waco, Texas 76701</b>	7 Date of issue (MM/DD/YYYY) <b>07 / 22 / 2011</b>
8 Name of issue <b>Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011</b>	9 CUSIP number <b>See Schedule Attached</b>
10 Name and title of officer of issuer whom the IRS may call for more information (See instructions.) <b>Don Rhodes, Superintendent</b>	11 Telephone number of officer or other person <b>832.216.3839</b>

**Part II Type of Issue**

1 Tax Credit Bond Code (See instructions, enter three digit code for the type of issue) . . . . .	►	<div><div>1</div><div>0</div><div>5</div></div>
2 Description: <b>Qualified School Construction Bonds</b>		
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) ► <b>07 / 15 / 2012</b>		
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	<b>3,600,000</b>				
2 Stated redemption price at maturity . . . . .	2	<b>3,600,000</b>				
3 Final maturity date (enter date MM/DD/YYYY) ► <b>07 / 15 / 2026</b>						
4 Applicable credit rate . . . . .	4	5	2	1	%	
5 Maximum term . . . . .	5	1	6	0	0 years	
6 Permitted Sinking Fund Yield . . . . .	6	4	5	4	0 0 %	
7 Enter the interest rate on the bonds . . . . .	7	5	3	8	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	<b>3,600,000</b>
2 Proceeds used for bond issuance cost (including underwriters' discount) . . . . .	2	<b>72,000</b>
3 Estimated investment proceeds . . . . .	3	<b>8,767</b>
4 Expected available project proceeds (Subtract line 2 from line 1 and add line 3) . . . . .	4	<b>3,536,767</b>
5 Matching pledged funds . . . . .	5	<b>0</b>
6 Other (describe) ►	6	<b>0</b>
7 Total proceeds (Add lines 4 through 6) . . . . .	7	<b>3,536,767</b>

**Part V Description of Use of Proceeds for Qualified Purpose Expenditures**

**Amount**

1a Loans to qualified borrower(s) . . . . .	1a	<b>0</b>
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	<b>0</b>
3 Buildings and structures . . . . .	3	<b>3,536,767</b>
4 Furniture or equipment with recovery period of more than 5 years . . . . .	4	<b>0</b>
5 Furniture or equipment with recovery period of 5 years or less . . . . .	5	<b>0</b>
6 Grants . . . . .	6	<b>0</b>
7 Demonstration projects . . . . .	7	<b>0</b>
8 Public education campaigns . . . . .	8	<b>0</b>
9 Repairs or other rehabilitation expenditures . . . . .	9	<b>0</b>

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

<b>10</b>	Developing course materials and/or staff training expenditures . . . . .	<b>10</b>	<b>0</b>
<b>11</b>	Pay principal, interest, or premiums on qualified bonds . . . . .	<b>11</b>	<b>0</b>
<b>12</b>	Refinance a qualified indebtedness . . . . .	<b>12</b>	<b>0</b>
<b>13</b>	Other (describe) ▶ . . . . .	<b>13</b>	<b>0</b>
<b>14</b>	Total qualified purpose expenditures (Sum of lines 1a through 13) . . . . .	<b>14</b>	<b>3,536,767</b>
<b>15</b>	Percentage of total proceeds to be used for qualified purpose expenditures (Divide line 14 in Part V by line 7 in Part IV, multiply result by 100) . . . . .	<b>15</b>	<b>1   0   0   .   0   0   0   %</b>
<b>16</b>	If some portion of proceeds was used to reimburse issuer for amounts paid for a qualified purpose, enter the amount of reimbursement . . . . .	<b>16</b>	<b>0</b>
<b>17</b>	If some portion of proceeds was to reimburse issuer for amounts paid for a qualified purpose, enter the date the official intent was adopted (MM/DD/YYYY) ▶ <b>06 / 16 / 2010</b>	<b>17</b>	

**Part VI Allocation of National, State, Tribal, or Local Bond Limitation Amount**

(Enter source and amount of allocation and attach copy of certificate)

		<b>Amount</b>
<b>1a</b>	Volume cap allocation amount . . . . .	<b>1a</b> <b>4,600,000</b>
	Year of Allocation . . . . . <b>10</b> Amount of Carryforward . . . . . <b>1,000,000</b>	
<b>b</b>	National, check box . . . . . ▶ <input type="checkbox"/> Local, check box . . . . . ▶ <input type="checkbox"/>	
<b>c</b>	State, check box . . . . . ▶ <input checked="" type="checkbox"/>	
<b>d</b>	Tribal, check box . . . . . ▶ <input type="checkbox"/>	
<b>2</b>	If box 1c is checked, enter State abbreviation . . . . . ▶ <b>T X</b>	

**Part VII Miscellaneous**

<b>1</b>	Arbitrage questions:	
<b>a</b>	If there is a reserve or sinking fund that is expected to repay the issue at maturity, check box . . . . . ▶	<input type="checkbox"/>
<b>b</b>	If 1a is checked and the reserve or sinking fund is funded in equal periodic installments, check box . . . . . ▶	<input type="checkbox"/>
<b>c</b>	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 . . . . . ▶	<input type="checkbox"/>
<b>d</b>	If the issuer established written procedures to monitor the requirements of section 148 with respect to these bonds, check box . . . . . ▶	<input checked="" type="checkbox"/>
<b>2</b>	If all federal, state, and local requirements governing conflicts of interest are satisfied with respect to this issue, check box . . . . . ▶	<input checked="" type="checkbox"/>
<b>3</b>	If the entitlements to credits with respect to this bond issue are expected to be stripped, check box . . . . . ▶	<input type="checkbox"/>
<b>4</b>	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 . . . . . ▶	<input checked="" type="checkbox"/>
<b>5</b>	Other: . . . . . ▶	<input type="checkbox"/>

**Signature and Consent**

Under penalties of perjury, I declare that I have examined this return, and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person(s) that I have authorized above.

Signature of issuer's authorized representative Don Rhodes Date 8/4/2011 Type or print name and title Don Rhodes, Superintendent

**Paid Preparer's Use Only**

Preparer's signature Marshall White Date August 4, 2011 Check if self-employed ☐ Preparer's SSN or PTIN P01419859

Firm's name (or yours if self-employed), address, and ZIP code Naman Howell Smith & Lee, PLLC EIN 74-2004800

400 Austin Avenue, Suite 800, Waco, Texas 78701 Phone no. 832.216.3839

**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**

Signature \_\_\_\_\_ Date \_\_\_\_\_ Type or print name and title \_\_\_\_\_

Issuer's name: **May Independent School District**Issuer's employer identification number (EIN): **75-1613852**

## Schedule for New Clean Renewable Energy Bonds (New CREBs)

**Schedule A**      ▶ Under Internal Revenue Code sections 54A and 54C  
▶ See separate instructions.

Tax Credit Bond Code

**102****Part I Issuer Questions**

Yes No

<b>1</b>	Is the issuer a public power provider? . . . . .	<b>1</b>		
<b>2</b>	Is the issuer a cooperative electric company? . . . . .	<b>2</b>		
<b>3</b>	Is the issuer a governmental body? . . . . .	<b>3</b>		
<b>4</b>	Is the issuer a clean renewable energy bond lender? . . . . .	<b>4</b>		
<b>5</b>	Is the issuer a not-for-profit electric utility which has received a loan/loan guarantee under the Rural Electrification Act? . . . . .	<b>5</b>		
<b>6</b>	Have proceeds been used to acquire existing facilities? (See instructions.) . . . . .	<b>6</b>		
<b>7</b>	Have proceeds been used to refinance existing facilities? (See instructions.) . . . . .	<b>7</b>		
<b>8</b>	Is the issue date of the issue on or before the date that is 3 years after the volume cap allocation date? (See instructions.) . . . . .	<b>8</b>		
<b>9</b>	Has the issuer designated these bonds as New CREBs for purposes of section 54C? . . . . .	<b>9</b>		

**Part II****Amount**

<b>1</b>	(For IRS Use Only) . . . . .	<b>1</b>	
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**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 for Qualified Energy Conservation Bonds (QECBs)

**Schedule B**      ▶ Under Internal Revenue Code sections 54A and 54D  
▶ See separate instructions.

Tax Credit Bond Code

**103****Part I Issuer and Project Questions**

Yes No

<b>1</b>	Has the issuer designated these bonds as QECBs for purposes of section 54D? . . . . .	<b>1</b>		
<b>2</b>	Has the allocation been reallocated from a large local government to a State? . . . . .	<b>2</b>		
<b>3</b>	Is the issuer a large local government? . . . . .	<b>3</b>		
<b>4</b>	Is the issuer an Indian tribal government? . . . . .	<b>4</b>		
<b>5</b>	Are all proceeds to be used within the jurisdiction of the issuer? . . . . .	<b>5</b>		
<b>6</b>	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.) . . . . .	<b>6</b>		

**Part II****Amount**

<b>1</b>	(For IRS Use Only) . . . . .	<b>1</b>	
----------	------------------------------	----------	--

**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: **May Independent School District**Issuer's employer identification number (EIN): **75-1613852**

Tax Credit Bond Code

**Schedule C****Schedule for Qualified Zone Academy Bonds (QZABs)**

► Under Internal Revenue Code sections 54A and 54E

► See separate instructions.

**104****Part I Academy and Issuer Information**

	Yes	No
<b>1</b> Is the school located in an empowerment zone? . . . . .	<b>1</b>	
<b>2</b> Is the school located in an enterprise community? . . . . .	<b>2</b>	
<b>3</b> Is it expected that at least 35% of students attending the school or program will be eligible for free or reduced-cost lunches under the school lunch program established by the National School Lunch Act? . . . . .	<b>3</b>	
<b>4</b> Was the comprehensive educational plan of the school or program approved by the eligible local education agency? . . . . .	<b>4</b>	
<b>5</b> Is a carryover of unused limitation being used for this issue? If "Yes," enter the year in which the limitation arose. (See instructions.) ►	<b>5</b>	
<b>6</b> Are the bonds issued by a state or local government within the jurisdiction of which the academy is located? . . . . .	<b>6</b>	
<b>7</b> Does the issuer have written commitments from private business entities to make qualified private business contributions having a present value of not less than 10% of the proceeds of this issue?	<b>7</b>	
<b>8</b> Was the bond issuance approved in writing by the eligible local education agency? . . . . .	<b>8</b>	
<b>9</b> Have these bonds been designated by the issuer as QZABs for purposes of section 54E? . . . . .	<b>9</b>	
<b>10</b> Enter the name of the eligible local education agency:	<b>10</b>	

**Part II Description of the Private Business Contribution**

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

	Amount
<b>1</b> Equipment . . . . .	<b>1</b>
<b>2</b> Technical assistance . . . . .	<b>2</b>
<b>3</b> Services of donor's employees as volunteers . . . . .	<b>3</b>
<b>4</b> Opportunities for students outside of the academy . . . . .	<b>4</b>
<b>5</b> Other: . . . . .	<b>5</b>

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

<b>1a</b> Enter the name of the first donor: _____	
<b>b</b> Enter the EIN of the first donor: _____	
<b>2a</b> Enter the name of the second donor: _____	
<b>b</b> Enter the EIN of the second donor: _____	
<b>3a</b> Enter the name of the third donor: _____	
<b>b</b> Enter the EIN of the third donor: _____	
<b>4a</b> Enter the name of the fourth donor: _____	
<b>b</b> Enter the EIN of the fourth donor: _____	
<b>5a</b> Enter the name of the fifth donor: _____	
<b>b</b> Enter the EIN of the fifth donor: _____	

Issuer's name: **May Independent School District**Issuer's employer identification number (EIN): **75-1613852**

Tax Credit Bond Code

**Schedule for Qualified School Construction Bonds (QSCBs)****Schedule D**

► Under Internal Revenue Code sections 54A and 54F

► See separate instructions.

**105****Part I Use of Proceeds****Yes No**

- |          |   |          |   |   |
|----------|---|----------|---|---|
| <b>1</b> | Are the proceeds to be used for an Indian school? (See instructions.) . . . . .   | <b>1</b> |   | ✓ |
| <b>2</b> | Are all proceeds to be used within the jurisdiction of the issuer? . . . . .  | <b>2</b> | ✓ |   |
| <b>3</b> | Have these bonds been designated as QSCBs by the issuer for purposes of section 54F? . . . . .  | <b>3</b> | ✓ |   |
| <b>4</b> | 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 . . . . .                                   | <b>4</b> |   | ✓ |
| <b>5</b> | 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? . . . . . | <b>5</b> |   |   |
| <b>6</b> | Are the proceeds of the issue to be spent on the costs of land acquisition? If the answer is "No," skip line 7 . . . . .  | <b>6</b> |   | ✓ |
| <b>7</b> | Are proceeds of the issue also to be spent on the costs of construction of a public school facility on such land? . . . . .   | <b>7</b> |   |   |

**Part II****Amount**

- |          |                              |          |  |
|----------|------------------------------|----------|--|
| <b>1</b> | (For IRS Use Only) . . . . . | <b>1</b> |  |
|----------|------------------------------|----------|--|

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

- 1** 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
- 2** 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

Schedule I

Part I, Line 9

May Independent School District

Qualified School Construction Bonds, Taxable Series 2011

Purchasers of Bonds

First Financial Bank, N.A.

400 Pine Street

Abilene, Texas 79601

EIN: 75-0264200

Schedule II

Part II, Line 5

May Independent School District

Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011

Debt Service Table

# May 1SD

## U/L Tax Qualified School Construction Bonds, Taxable Series 2011

### FIXED RATE BOND: DEBT SERVICE SCHEDULE Form 8038-CP Supplement

Dates	Gross Interest Payment	Total Principal Outstanding	Interest Rate	Expected Credit Payment from US Treasury	Earliest Date Bonds Can Be Called
7/15/2012	\$189,914.00	\$3,600,000	5.21	\$183,913.00	NA
7/15/2013	\$180,929.40	\$3,363,000	5.21	\$175,212.30	NA
7/15/2014	\$168,125.00	\$3,125,000	5.21	\$162,812.50	NA
7/15/2015	\$155,320.60	\$2,887,000	5.21	\$150,412.70	NA
7/15/2016	\$142,516.20	\$2,649,000	5.21	\$138,012.90	NA
7/15/2017	\$129,658.00	\$2,410,000	5.21	\$125,561.00	NA
7/15/2018	\$116,799.80	\$2,171,000	5.21	\$113,109.10	NA
7/15/2019	\$103,887.80	\$1,931,000	5.21	\$100,605.10	NA
7/15/2020	\$90,975.80	\$1,691,000	5.21	\$88,101.10	NA
7/15/2021	\$78,063.80	\$1,451,000	5.21	\$75,597.10	NA
7/15/2022	\$65,098.00	\$1,210,000	5.21	\$63,041.00	NA
7/15/2023	\$52,132.20	\$969,000	5.21	\$50,484.90	NA
7/15/2024	\$39,112.60	\$727,000	5.21	\$37,876.70	NA
7/15/2025	\$26,093.00	\$485,000	5.21	\$25,268.50	NA
7/15/2026	\$13,073.40	\$243,000	5.21	\$12,660.30	NA
<b>Total</b>	<b>1,551,699.60</b>			<b>1,502,668.20</b>	

Schedule III

Part VI, Line 1a

May Independent School District

Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011

Allocation of State Bond Limitation Amount



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Robert Scott  
Commissioner

June 3, 2011

025-905

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

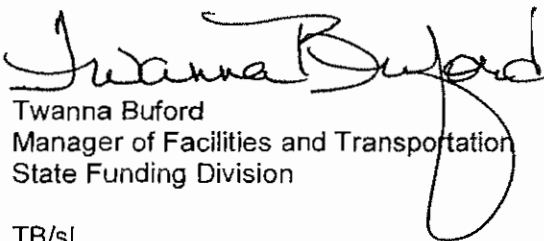
Re: 2010 Qualified School Construction Bond (QSCB) Extension Request

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](mailto: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](mailto:sam.lester@tea.state.tx.us).

Sincerely,



Twanna Buford  
Manager of Facilities and Transportation  
State Funding Division

TB/sl



1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://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.

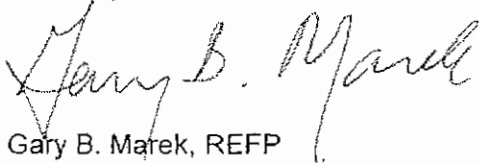
Please note the following requirements relating to expenditures. An issue shall be treated as meeting the expenditure requirements if, as of the date of issuance, the district reasonably expects that:

- 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.

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](mailto:gary.marek@tea.state.tx.us).

Sincerely,

A handwritten signature in black ink that reads "Gary B. Marek". The signature is written in a cursive style with a large, stylized "G" and "M".

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



**NAMAN HOWELL  
SMITH & LEE<sup>PLLC</sup>**  
ATTORNEYS AT LAW

400 Austin Avenue  
Suite 800  
P.O. Box 1470  
Waco, Texas 76703  
(254) 755-4100  
Fax (254) 754-6331

August 18, 2011

**CERTIFIED MAIL NO. 7010 0780 0001 9758 7686  
RETURN RECEIPT REQUESTED**

Internal Revenue Service Center  
Ogden, Utah 84201

Offices in:  
■ Austin  
■ Fort Worth  
■ Harker Heights  
■ Temple  
■ Waco  
  
[www.namanhowell.com](http://www.namanhowell.com)

Re: 8038-TC for May ISD Unlimited Tax  
Qualified School Construction Bonds,  
Taxable Series 2011

Dear Sirs:

Please find enclosed an original and one acknowledgment copy of the signed Form 8038-TC in regard to the May ISD Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011.

Please return the file-marked copy to us in the enclosed self-addressed and stamped envelope.

Best regards.

Very truly yours,

NAMAN, HOWELL, SMITH & LEE, PLLC

BY:

Marshall T. White

MTW:vf  
Enclosure

7010 0780 0001 9758 7686

U.S. Postal Service <sup>TM</sup>	
CERTIFIED MAIL <sup>TM</sup> RECEIPT	
(Domestic Mail Only, No Insurance Coverage Provided)	
For delivery information visit our website at <a href="http://www.usps.com">www.usps.com</a>	
OFFICIAL USE	
Postage \$	Postmark Here
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To <u>IRS</u>	
Street, Apt. No., or PO Box No.	
City, State, ZIP+4	
PS Form 3800, August 2005 See Reverse for Instructions	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"><li>Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired.</li><li>Print your name and address on the reverse so that we can return the card to you.</li><li>Attach this card to the back of the mailpiece, or on the front if space permits.</li></ul>	A. Signature <b>X</b> <input type="checkbox"/> Agent <input type="checkbox"/> Addressee
1. Article Addressed to:  Internal Revenue Service Center Ogden, Utah 84201	B. Received by (Printed Name) <b>RECEIVED</b> C. Date of Delivery <b>AUG 23 2011</b> D. Is delivery address different from item 1? <input type="checkbox"/> Yes If YES, enter delivery address below: <b>OGDEN, UT</b> <b>IRS-OSC</b>
2. Article Number (Transfer from service label) <b>7010 0780 0001 9758 7686</b>	3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.
	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes



Department of Treasury  
Internal Revenue Service  
Ogden UT 84201-0074

Notice	CP152
Tax period	July 31, 2011
Notice date	October 3, 2011
Employer ID number	75-1613852
To contact us	Phone 1-877-829-5500

Page 1 of 1

012001.897872.0049.001 1 AB 0.368 375



MAY INDEPENDENT SCHOOL DISTRICT  
400 AUSTIN AVE STE 800  
WACO TX 76701-2145007



012001

Acknowledgment of your July 22, 2011 Form 8038-TC

## We received your tax-exempt bond form

This notice serves as official acknowledgment that we received your Form 8038-TC. If you filed more than one form, you will receive a separate acknowledgment for each one.

### Tax-exempt bond information

Bond issuer	MAY INDEPENDENT SCHOOL DISTRICT
Name of issue	UNLIMITED TAX QUALIFIED SCHOOL CONS
Address	400 AUSTIN AVE STE 800 WACO TX 76701
Issue date	July 22, 2011
Issue price	\$3,600,000.00
Maturity date	July 15, 2026
IRS report number	134

### Important reminders

- Attach a copy of this notice to all of your correspondence and documents related to this tax-exempt bond.
- If a tax practitioner or someone else prepared your form, you may want to give them a copy of this notice. (A copy was automatically sent to all representatives authorized with a Power-of-Attorney for this form.)

### Additional information

- Visit [www.irs.gov/cp152](http://www.irs.gov/cp152).
- For tax forms, instructions, and publications, visit [www.irs.gov](http://www.irs.gov) or call 1-800-TAX-FORM (1-800-829-3676).
- If you have questions about tax-exempt bonds, call TEGE Customer Account Services at 1-877-829-5500.
- Keep this notice for your records.

If you need assistance, please don't hesitate to contact us.



TEXAS EDUCATION AGENCY

1701 North Congress Ave. • Austin, Texas 78701-1494 • 512 463-9734 • 512 463-9838 FAX • [www.tea.state.tx.us](http://www.tea.state.tx.us)

Robert Scott  
Commissioner

July 11, 2011

### CERTIFICATE WITH RESPECT TO ARBITRAGE

**THE STATE OF TEXAS:  
TEXAS EDUCATION AGENCY:**

The Texas Education Agency hereby certifies with respect to the issuance by May Independent School District (the "District") of the Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 22, 2011, in the principal amount of \$3,600,000.00 (the "Bonds") as follows:

1. The Permanent School Fund (the "Fund") created by Article 7, Section 5 of the Texas Constitution is a perpetual state trust fund authorized for the benefit of the public schools of the State of Texas.
2. The Bonds are guaranteed, pursuant to Article 7, Section 5 of the Texas Constitution and Section 45.051, et seq., of the Texas Education Code, by the corpus of the Fund.
3. The Fund has satisfied each of the factual requirements of paragraphs (d)(1)(i) through (d)(1)(iii) of Section 1.148-11(d)(1) of the Treasury Regulations on and after August 16, 1986.
4. Based upon the unaudited records of the Texas Education Agency and the General Land Office, the outstanding amount of the bonds guaranteed by the Fund on the sale date of the bonds did not exceed 500 percent of the total cost of the assets held by the Fund on December 16, 2009.
5. If the Bonds are defeased, the Fund guarantee shall be withdrawn in its entirety.

TEXAS EDUCATION AGENCY

By

Adam Jones,

Deputy Commissioner for Finance and Administration/COO



ATTORNEY GENERAL OF TEXAS  
GREG ABBOTT

July 22, 2011

THIS IS TO CERTIFY that May Independent School District (the "Issuer") has submitted to me May Independent School District Unlimited Tax Qualified School Construction Bond, Taxable Series 2011 (the "Bond"), in the principal amount of \$3,600,000, for approval. The Bond is dated July 22, 2011, numbered I-1, and was authorized by an Order of the Issuer passed on June 29, 2011.

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

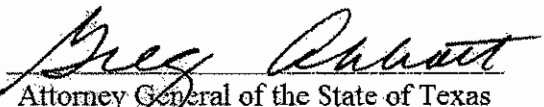
As to questions of fact material to my opinion, I have relied upon representations of the Issuer contained in the certified proceedings and other certifications of public officials furnished to me without undertaking to verify the same by independent investigation.

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

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

- (1) The Bond has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) The Bond is payable from the proceeds of an ad valorem tax levied, upon all taxable property in the Issuer, without limit as to rate or amount.

Therefore, the Bond is approved.

  
Attorney General of the State of Texas

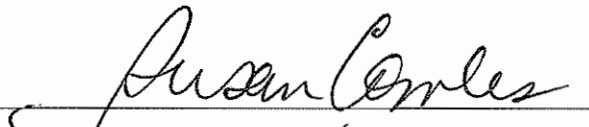
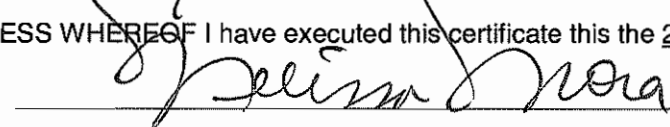
No. 52346  
Book No. 2011-C  
JCH

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 22nd day of July 2011, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

May Independent School District Unlimited Tax Qualified School Construction Bond, Taxable Series 2011,

numbered 1-1, dated July 22, 2011, and that in signing the certificate of registration I used the following signature:

  
\_\_\_\_\_  
IN WITNESS WHEREOF I have executed this certificate this the 22nd day of July 2011.  
  
\_\_\_\_\_

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/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 78727.

GIVEN under my hand and seal of office at Austin, Texas, this the 22nd day of July 2011.



Susan Combs  
Comptroller of Public Accounts  
of the State of Texas

OFFICE OF COMPTROLLER

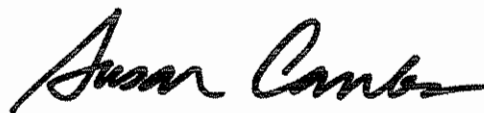
OF THE STATE OF TEXAS

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 Unlimited Tax Qualified School Construction Bond, Taxable Series 2011

numbered I-1, of the denomination of \$ 3,600,000, dated July 22, 2011, as authorized by issuer, interest 5.38 percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 22nd day of July 2011, under Registration Number 78727.

Given under my hand and seal of office, at Austin, Texas, the 22nd day of July 2011.

A handwritten signature in black ink, reading "Susan Combs", with a stylized flourish at the end.

SUSAN COMBS  
Comptroller of Public Accounts  
of the State of Texas

NAMAN HOWELL SMITH & LEE, PLLC  
8000 RESEARCH FOREST DRIVE  
SUITE 115-224  
THE WOODLANDS, TEXAS 77382

POWELL & LEON, L.L.P.  
1706 W. SIXTH STREET  
AUSTIN, TEXAS 78703

July 22, 2011

**MAY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX QUALIFIED SCHOOL CONSTRUCTION BONDS,  
TAXABLE SERIES 2011  
IN THE ORIGINAL PRINCIPAL AMOUNT OF \$3,600,000**

We have acted as Bond Counsel to May Independent School District (the "Issuer") in connection with the issuance of the bonds described above (the "Bonds") for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas and with respect to the tax treatment of interest on the Bonds for federal income tax purposes. We have not investigated or verified original proceedings, records, data, or other material, but we have relied solely upon the transcript of certified proceedings, certifications, and other documents described in the following paragraph. We have not assumed any responsibility with respect to the financial condition or capabilities of the Issuer or the disclosure thereof in connection with the sale of the Bonds. We have relied solely on information and certifications furnished to us by the Issuer with respect to the current outstanding indebtedness of, and assessed valuation of taxable property within, the Issuer.

In our capacity as Bond Counsel, we have participated in the preparation of and have examined a transcript of certified proceedings pertaining to the Bonds that contains certified copies of certain proceedings of the Board of Trustees of the Issuer (the "Board"); an order of the Board authorizing the Bonds adopted on June 29, 2011 (the "Order"); the "Purchase Contract" dated June 29, 2011 between the purchaser named therein and the Issuer; the approving opinion of the Attorney General of the State of Texas; customary certificates of officers, agents, and representatives of the Issuer, including a "Federal Tax Certificate", and other public officials; and other documents relating to the issuance of the Bonds. In such examination, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the truth and accuracy of the statements contained in such certificates. We have also examined applicable provisions of the Internal Revenue Code of 1986, as amended (the "Code"), court decisions, Treasury Regulations, and published rulings of the Internal Revenue Service as we have deemed relevant. We have also examined executed Bond No. I-1.

Based on said examination, it is our opinion that:

1. The Issuer is a validly existing political subdivision of the State of Texas with power to adopt the Order, perform its agreements therein, and issue the Bonds.
2. The Bonds have been authorized, sold, and delivered in accordance with law.
3. The Bonds constitute valid and legally binding obligations of the Issuer enforceable in accordance with their terms except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium, liquidation, and other similar laws now or hereafter enacted relating to creditors' rights generally.
4. Ad valorem taxes, without legal limitation, upon all taxable property within the Issuer, necessary to pay the interest on and principal of the Bonds, have been pledged irrevocably for such purpose.

In our opinion, interest on the Bonds is included in gross income for federal income tax purposes. This opinion is not intended or provided by Bond Counsel to be used and cannot be used by an owner of the Bonds for the purpose of avoiding penalties that may be imposed on the owner of such Bonds. The opinion set forth in this paragraph is provided to support the promotion or marketing of the Bonds. Each owner of Bonds should seek advice based on its particular circumstances from an independent tax advisor.

Except as stated above, we express no opinion as to any other federal, state, or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on or the acquisition, ownership, or disposition of the Bonds.

This legal opinion expresses the professional judgment of the undersigned firms as to the legal issues explicitly addressed therein. In rendering a legal opinion, we do not become an insurer or guarantor of that expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of our opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

Respectfully submitted,

*Naman Howell Smith & Lee, PLLC*

*Pauell & Lee, LLP*

### RECEIPT OF PURCHASER FOR THE BONDS

First Financial Bank, N.A., Abilene, Texas, as Purchaser of the \$3,600,000 principal amount of "Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011" issued by the May Independent School District (the "Bonds"), HEREBY ACKNOWLEDGES RECEIPT of such Bonds from the District.

DATED this July 22, 2011.

FIRST FINANCIAL BANK, N.A.  
As Purchaser

By: \_\_\_\_\_

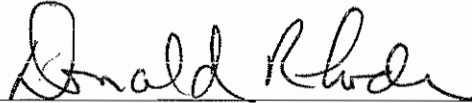


## RECEIPT OF ISSUER FOR PURCHASE PRICE

The undersigned, as Superintendent of the May Independent School District (the "District"), does hereby acknowledge receipt on this day from First Financial Bank, N.A., Abilene, Texas (the "Underwriter"), of the purchase price of the \$3,600,000 in aggregate principal amount of the District's "Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011".

DATED this July 22, 2011.

**MAY INDEPENDENT SCHOOL DISTRICT**

A handwritten signature in cursive script, appearing to read "Donald Rhodes", is written over a horizontal line.

Donald Rhodes  
Superintendent

**May ISD U/L Tax Qualified School Construction Bonds,  
Taxable Series 2011**

Re: Closing Instructions with respect to the May ISD, U/L Tax Qualified School Construction Bonds, Taxable Series 2011 (the "Securities").

Payment for the above referenced Securities is to occur on 7/22/2011 (the "Closing Date") and funds for the payment of the Securities are to be cleared by The Bank of Texas (the "Paying Agent"), as paying agent for the Securities, as follows:

(A) On or before the Closing Date, the Paying Agent will receive for the account of the May ISD (the "Issuer ") from First Financial Bank, N.A. (the "Purchaser") in immediately available funds in payment for the Securities, the sum of **\$3,600,000.00**.

(B) On or before the Closing Date, the Paying Agent will receive for the account of May ISD, Texas (the "Issuer ") from May ISD in immediately available funds in payment for the Securities, the sum of **\$28,900.00** representing the districts contribution.

Instructions for wiring funds to The Bank of Texas are as follows:

BOKF, N.A.  
ABA: 1039-00036  
Acct. No. 600024642  
Acct Name: Trust Funds  
FFC: 840001010 – Attn. Jose Gaytan 512-279-7850  
May ISD, U/L Tax Qualified School Construction Bonds, Taxable Series 2011

(C) On the Closing Date, the Paying Agent is instructed to disburse and expend funds described in (A) and (B) above as follows:

(1) Wire transfer to Citizens National Bank the amount of **\$3,528,000.00**, representing the principal amount of the bonds less issuance costs.

Citizens National Bank  
I Carnegie  
P.O. Box 1629  
Brownwood, TX 76804  
Attn: T. Keith Clark, (325) 643-3545  
Routing # 111901580  
Acct # 0225002

(2) Wire transfer to Government Capital Securities the amount of **\$100,900.00** representing its placement fee and expenses with respect to the Securities.

Instructions for wiring funds to Government Capital Securities Corporation are as follows:

Wells Fargo Bank Texas, NA  
ABA#121000248  
Account # 6859041375

**TOTAL**

**\$3,628,900.00**

## REPORT OF ISSUANCE OF SECURITIES

- A.1. **Name of bond issue:** May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011
2. (a) **Par amount of issue:** \$3,600,000
- (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:** July 22, 2011
4. **Closing date (expected delivery date, on or about):** July 22, 2011
5. **By year, maturity amounts, coupon rates, prices, or yields. (If no reoffering yield (NRO) indicated, please provide yield separately.)** Please see Exhibit A attached.
6. **Call provisions, including premiums, if any:** Please see Exhibit B attached.
7. **Mandatory redemption provisions.** Please see Exhibit B attached.
8. **Debt service schedule, principal and interest, and annual totals, with the fiscal year identified:** Please see Exhibit A 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:** Pledge of ad valorem taxes.
12. **Type of credit enhancement (including PSF guarantee):** PSF guarantee.
13. **Rating service(s) and rating(s) assigned to issue:** N/A

### B. Additional Information

14. **Type of Sale:** a) competitive c) private placement  
b) negotiated XX d) other (explain)
15. **Pricing:** Negotiated sale: date \_\_\_\_\_ time \_\_\_\_\_ of verbal award of bid;  
Competitive sale: date \_\_\_\_\_ time \_\_\_\_\_ of bid opening;  
Private placement: date of agreement on interest rates: June 29, 2011
16. **If purchase of bonds is a governmental entity, such as the Texas Water Development Board, please name purchaser:** N/A
17. **If a refunding bond issue, please provide final schedule of cash and present value savings (loss):** N/A

18. 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 on refunding bonds associated with "old debt." 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
19. CAB's and CIB's - please provide the per annum bond interest rates by maturity as shown in the bond order document. Please see Exhibit A attached.
20. 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).

SERVICE	FIRM	ONE-TIME FEE	ANNUAL FEE (a)
Bond Rating	Moody's Standard & Poor's Fitch	(in dollars) N/A N/A N/A	N/A N/A N/A
Other General Costs of Issuance (b)		\$100,900.00	\$750.00
Any Specialized Costs of Issuance (c)		N/A	N/A
Credit Facility		N/A	N/A
Bond Insurance		N/A	N/A
Total Underwriting Spread (d)		N/A	
Did underwriter pay rating fee(s)?	Yes	No <input checked="" type="checkbox"/>	Which one(s)?
Did underwriter pay bond insurance fee?	Yes	No <input checked="" type="checkbox"/>	

PARTICIPANTS	FIRM
Financial Advisor	Government Capital Securities Corporation, Southlake, Texas
Bond Counsel	Naman Howell Smith & Lee, PLLC, The Woodlands, Texas and Powell & Leon, L.L.P., Austin, Texas
Paying Agent/Registrar	BOKF, NA, Bank of Texas, Austin, Texas
Purchaser	First Financial Bank, N.A., Abilene, Texas

- (a) relates to the ongoing fees or recurring costs of a financing for services such a 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) defined as the differential between the price paid to the issuer for the issue and the prices at which the securities are initially offered to the investing public.

PERSON COMPLETING FORM:

Name: Marshall T. White

Telephone number: 832.216.3839

Fax Number: 254.754.6331

# MAY INDEPENDENT SCHOOL DISTRICT

## U/L Tax Qualified School Construction Bonds, Taxable Series 2011

Funding Date = 07/22/2011  
Tax Credit Rate 5.21% Set 6/29/2011

Dates	Principal Amount	Coupon Rate	Interest Amount	Total Debt Service	Tax Credit Rate	Federal Rebate Amount	Net Rate to MSD	Net Interest Cost to MSD	Net Total Debt Service	Net Fiscal Year Debt Service
7/15/2012	\$237,000	5.38	\$189,914.00	\$426,914.00	5.21	\$183,913.00	0.17	\$6,001.00	\$243,001.00	\$243,001.00
7/15/2013	\$238,000	5.38	\$180,929.40	\$418,929.40	5.21	\$175,212.30	0.17	\$5,717.10	\$243,717.10	\$243,717.10
7/15/2014	\$238,000	5.38	\$168,125.00	\$406,125.00	5.21	\$162,812.50	0.17	\$5,312.50	\$243,312.50	\$243,312.50
7/15/2015	\$238,000	5.38	\$155,320.60	\$393,320.60	5.21	\$150,412.70	0.17	\$4,907.90	\$242,907.90	\$242,907.90
7/15/2016	\$239,000	5.38	\$142,516.20	\$381,516.20	5.21	\$138,012.90	0.17	\$4,503.30	\$243,503.30	\$243,503.30
7/15/2017	\$239,000	5.38	\$129,658.00	\$368,658.00	5.21	\$125,561.00	0.17	\$4,097.00	\$243,097.00	\$243,097.00
7/15/2018	\$240,000	5.38	\$116,799.80	\$356,799.80	5.21	\$113,109.10	0.17	\$3,690.70	\$243,690.70	\$243,690.70
7/15/2019	\$240,000	5.38	\$103,887.80	\$343,887.80	5.21	\$100,605.10	0.17	\$3,282.70	\$243,282.70	\$243,282.70
7/15/2020	\$240,000	5.38	\$90,975.80	\$330,975.80	5.21	\$88,101.10	0.17	\$2,874.70	\$242,874.70	\$242,874.70
7/15/2021	\$241,000	5.38	\$78,063.80	\$319,063.80	5.21	\$75,597.10	0.17	\$2,466.70	\$243,466.70	\$243,466.70
7/15/2022	\$241,000	5.38	\$65,098.00	\$306,098.00	5.21	\$63,041.00	0.17	\$2,057.00	\$243,057.00	\$243,057.00
7/15/2023	\$242,000	5.38	\$52,132.20	\$294,132.20	5.21	\$50,484.90	0.17	\$1,647.30	\$243,647.30	\$243,647.30
7/15/2024	\$242,000	5.38	\$39,112.60	\$281,112.60	5.21	\$37,876.70	0.17	\$1,235.90	\$243,235.90	\$243,235.90
7/15/2025	\$242,000	5.38	\$26,093.00	\$268,093.00	5.21	\$25,268.50	0.17	\$824.50	\$242,824.50	\$242,824.50
7/15/2026	\$243,000	5.38	\$13,073.40	\$256,073.40	5.21	\$12,660.30	0.17	\$413.10	\$243,413.10	\$243,413.10
<b>Total</b>	<b>\$3,600,000</b>		<b>\$1,551,699.60</b>	<b>\$5,151,699.60</b>		<b>\$1,502,668.20</b>		<b>\$49,031.40</b>	<b>\$3,649,031.40</b>	<b>\$3,649,031.40</b>

Exhibit A

Sources of Funds:  
Qualified School Construction Bonds  
Issuer Contribution  
Total Sources

\$3,600,000  
\$28,900  
\$3,628,900

Uses of Funds:  
Deposit to Construction Fund  
Financial Advisor- GCSC  
Bond Counsel- Naman Howell PLLC  
Purchasers Counsel- Andrews Kurth LLP  
Attorney General  
PSF Insurance  
Total Uses

\$3,528,000  
\$72,000  
\$20,000  
\$3,000  
\$3,600  
\$2,300  
\$3,628,900

## EXHIBIT B

The May Independent School District Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011 are subject to the following redemption provisions:

(a) *Optional Redemption* — THE DISTRICT reserves the right, at its option, to redeem the Bonds maturing on or after July 15, 2022 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on July 15, 2021 or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Bonds are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Bonds of a certain maturity are to be redeemed, the particular Bond or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

(b) *Special Mandatory Redemption* — 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 above by the close of the 3-year period beginning on the date of delivery of the Bonds (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 Bonds 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 Bonds to the date fixed for redemption, payable from such unexpended proceeds held by the District.

(c) *Extraordinary Optional Redemption* — Upon the occurrence of an Extraordinary Event (as defined below), the Bonds are subject to special optional redemption, at the option of the District, prior to their maturity date, in whole or in part, on the date designated by the District at the Make Whole Redemption Price.

The "Make-Whole Redemption Price" means the amount equal to the greater of the following:

1. The initial offering price of the Bonds set forth above (but not less than 100% of the principal amount of the Bonds to be redeemed) or
2. The sum of the present value of the remaining scheduled payments of principal and interest on the Bonds to be redeemed to the maturity date of such Bonds, not including any portion of those payments of interest accrued and unpaid as of the date on which the Bonds are to be redeemed, discounted to the date on which the Bonds are to be redeemed on a semiannual basis, assuming a 360-day year containing twelve 30-day months, at the Treasury Rate, plus 100 basis points, plus in each case accrued interest on the Bonds to be redeemed to the redemption date.

For the purpose of determining the Make-Whole Redemption Price, "Treasury Rate" means, with respect to any redemption date for a particular Bond, 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) (the "Statistical Release") that has become publicly available at least two Business Days prior to the redemption date (excluding inflation-indexed securities) (or, if the 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 Bonds to be redeemed; provided, however that if the period from the redemption date to the 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 shall be used.

The term "Extraordinary Event" means (a) a final determination by the Internal Revenue Service ("IRS") (after the District has exhausted all administrative appeal remedies) 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; (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 and specifying the Date of Loss of Qualified School Construction Bond Status; (c) the occurrence of a material adverse change under Section 54F or 6431 of the Code; (d) the publication by the IRS or the United States Treasury of any guidance with respect to such sections; or (e) any other determination by the IRS or the United States Treasury, which determination is not the result of a failure of the District to satisfy certain requirements of the Order, if as a result of an event as described in (c), (d), or (e) of this sentence, the Subsidy Payments expected to be received with respect to the Bonds are eliminated or reduced, as reasonably determined by the Superintendent of the District or his designee, which determination shall be conclusive.

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 Order or the Bonds and which act or failure to act causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds, or (b) the making by the District of any representation contained in the Order or the Bonds, which representation was untrue when made and the untruth of which representation at such time causes the Bonds to lose their status, or fail to qualify, as Qualified School Construction Bonds under the Code.

The Make-Whole Redemption Price will be determined by an independent accounting firm, investment banking firm, or financial advisor retained by and at the expense of the Issuer to calculate such redemption price. The determination of the Make-Whole Redemption Price by such independent accounting firm, investment banking firm, or financial advisor shall be conclusive and binding on the Issuer and the Bondholders and the Paying Agent/Registrar and the Issuer will be permitted to conclusively rely on such determination.

## **TAX REPORTING AGENT AGREEMENT**

This TAX REPORTING AGENT AGREEMENT dated as of this 1st day of July, 2011 (the "Agreement") is by and between May Independent School District (the "Issuer") and BOKF, NA dba Bank of Texas (the "Bank").

### **RECITALS**

The governing body of the Issuer adopted an order on June 21, 2011 (the "Order") authorizing and providing for the issuance of its Unlimited Tax Qualified School Construction Bonds, Taxable Series 2011, dated July 1, 2011, in the aggregate principal amount of \$1,800,000 (the "Bonds"), such Bonds to be issued in fully registered form, without coupons.

The Issuer has delivered a true and correct copy of the Order to the Bank;

The Bonds are scheduled to be delivered to the initial purchasers of the Bonds on or about July 12, 2011;

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

The Issuer has requested that the Bank provide certain services to assist the Issuer in applying for and receiving tax credit payments with respect to the Bonds from the federal government; and

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

NOW, THEREFORE, it is mutually agreed as follows:

### **ARTICLE ONE**

#### **APPOINTMENT OF BANK AS AGENT**

##### **Section 1.01. Appointment; Defined Terms.**

The Issuer hereby appoints the Bank to serve as its Agent for the purposes of preparing and filing the IRS Form 8038-CP, or such other form or forms as may be requested by the Issuer and agreed to by the Bank. The Bank hereby accepts such appointments and agrees to serve as the Agent of the Issuer for the purposes of preparing and filing the IRS Form 8038-CP or such other form or forms agreed to as provided above. In addition, if other actions prove necessary or advisable in connection with Issuer applying for and receiving tax credit payments with respect to the Bonds from the federal government, the Issuer shall notify the Bank in writing of such other actions and the Bank may in its sole discretion determine whether it is willing to perform such actions. Terms used and not otherwise defined herein shall have the meanings assigned to such terms in the Order.

##### **Section 1.02. Compensation.**

As compensation for the Bank's services as Agent hereunder, the Issuer agrees to pay the Bank an annual fee equal to \$250 payable on each August 15. In addition, the Issuer agrees to

reimburse the Bank for all reasonable expenses, disbursements, and advances incurred or made by the Bank in connection with this Agreement (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

## ARTICLE TWO

### AGENT DUTIES

#### Section 2.01. Duties of Agent.

(a) At least ninety-five (95) days prior to each interest payment date with respect to the Bonds (an "Interest Payment Date"), the Trustee shall deliver to the Issuer by a delivery method which provides the Trustee with evidence of delivery (i) a completed IRS Form 8038-CP, which is to be signed by an Authorized Officer of the Issuer, and (ii) a certification by an Authorized Officer of the Trustee stating that, to its knowledge, the Form 8038-CP is accurate and complete. The form and certification shall be sent to the attention of Superintendent. The Issuer shall return such signed Form 8038-CP to the Trustee not later than ninety (90) days prior to each Interest Payment Date with respect to the Bonds, by a delivery method which provides the Issuer with evidence of delivery. The Issuer may hire an independent consultant at its own expense to review the Form 8038-CP.

(b) The Form 8038-CP shall authorize the tax credit payment requested in accordance with clause (a) above to be paid to the Trustee. Upon receipt of any tax credit payment, the Trustee shall promptly deposit such payment in the appropriate debt service fund as a credit against the next interest payment required to be made by the Issuer with respect to the Bonds. If a particular tax credit payment is received by the Bank after the applicable Interest Payment Date, such amount may be reimbursed to the Issuer at the Issuer's written request.

(c) Not more than ninety (90) and not less than forty-five (45) days prior to each Interest Payment Date for the Bonds, the Trustee shall prepare and file or cause to be prepared and filed a Form 8038-CP with the Internal Revenue Service Center, Ogden, Utah 84201, or any successor location specified by the Internal Revenue Service, or take such other or additional actions within its power as may be required from time to time under the Code and to which it has agreed as described above, to request the tax credit payment with respect to such Interest Payment Date. Upon completion and filing, the Trustee shall deliver a copy of such Form 8038-CP to the Issuer. The Issuer hereby authorizes and directs the Trustee to take all actions necessary to prepare and file the Form 8038-CP, or take such other or additional actions as may be required from time to time under the Code, to request the tax credit payment with respect to such Interest Payment Date. Failure by the Trustee to prepare or file the Form 8038-CP shall not affect any payment obligations of the Issuer under the Order.

## ARTICLE THREE

### THE BANK

#### Section 3.01. Rights of Bank.

The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. Notwithstanding any other provision contained herein, the Bank is acting solely as agent of the Issuer and is not and shall not be deemed to be providing tax advice.

Section 3.02. Reliance on Documents, Etc.

(a) The Bank shall have no liability or responsibility for any statement made by the Issuer or any other person in connection with the issuance of the Bonds, or for the use or application of any money received by the Issuer in connection with the Bonds.

(b) The Bank may rely upon any instructions provided to it by the Issuer, or upon any advice or instructions provided to it by bond counsel or its own counsel (including its own in-house counsel), in connection with its duties and shall not be liable for any action taken or omitted to be taken by it in good faith in accordance with such instructions or advice. The Bank shall be entitled to rely upon and shall be protected in acting upon any notice, request, consent, certificate, order, affidavit, or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons.

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

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

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

(f) The Bank shall have no duties or responsibilities whatsoever except such duties and responsibilities as are specifically set forth in this Agreement, and no covenant or obligation shall be implied in this Agreement against the Bank.

(g) The Bank shall use its best efforts to perform its obligations hereunder, including the timely taking of action as required hereunder, provided, however, that the Bank shall not be liable for its failure to meet such deadlines, except such failure as shall result from its gross negligence or willful misconduct.

(h) The Bank shall not be liable for any loss or damage, including reasonable counsel fees and expenses, resulting from its actions or omissions to act hereunder, except for any loss or damage arising out of its own gross negligence or willful misconduct. IN NO EVENT SHALL THE BANK BE LIABLE FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF THE BANK HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSS OR DAMAGE AND REGARDLESS OF THE FORM OF ACTION.

Section 3.03. Indemnification.

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

paragraph shall survive the resignation or removal of the Bank as Agent and the termination of this Agreement.

Section 3.05. 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 actions hereunder in either a Federal or State District Court located in the State and County where either the Bank or the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 4.03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to interplead all of the assets held hereunder into a court of competent jurisdiction to determine the rights of any party claiming any interest herein.

## ARTICLE FOUR

### MISCELLANEOUS PROVISIONS

Section 4.01. Amendment.

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

Section 4.02. Assignment.

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

Section 4.03. Notices.

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

Section 4.04. Headings.

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

Section 4.05. Successors and Assigns.

All covenants and agreements herein by the Issuer shall bind its successors and assigns. Any corporation or association into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation, or transfer to which it is a party, shall be and become successor Paying Agent/Registrar hereunder and vested with all of the powers; discretions, immunities, privileges, and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 4.06. Severability.

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

Section 4.07. Benefits of Agreement.

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

Section 4.08. Entire Agreement.

This Agreement constitutes the entire agreement between the parties hereto relative to the Bank acting as Agent as described herein and if any conflict exists between this Agreement and the Order, this Agreement shall govern.

Section 4.09. Counterparts.

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

Section 4.10. Termination.

This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Bonds to the Bondholders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until a successor Agent has been appointed by the Issuer and such appointment accepted. Furthermore, the Bank and Issuer agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Bonds.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Bond Register (or a copy thereof) together with other pertinent books and records relating to the Bonds, to the successor Paying Agent/Registrar designated and appointed by the Issuer. The provisions of Section 1.02 and Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 4.11. Governing Law.

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

Section 4.12. Force Majeure.


In no event shall the Bank be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Bank's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations, or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of

equipment or interruption of communications or computer facilities, and other causes beyond the Bank's control whether or not of the same class or kind as specifically named above.

[The remainder of the page is intentionally left blank.]

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

**MAY INDEPENDENT  
SCHOOL DISTRICT**

By   
Printed Name Don Rhodes  
Title Superintendent

3400 CR 411 E  
May, Texas 76857

**BOKE, NA dba BANK OF TEXAS**

By \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Title \_\_\_\_\_

111 Congress Avenue, Suite 100  
Austin, Texas 78701

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

**MAY INDEPENDENT  
SCHOOL DISTRICT**

By \_\_\_\_\_  
Printed Name \_\_\_\_\_  
Title \_\_\_\_\_

3400 CR 411 E  
May, Texas 76857

**BOKF, NA dba BANK OF TEXAS**

By \_\_\_\_\_  
Printed Name JOSE A. GATTA  
Title VICE PRESIDENT

111 Congress Avenue, Suite 100  
Austin, Texas 78701