

\$5,600,000
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BONDS
SERIES 2020A

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CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT §

We, the undersigned officers of the Board of Directors of Brushy Creek Municipal Utility District (the "District") hereby certify as follows:

1. The District convened in a REGULAR MEETING ON THE 13TH DAY OF AUGUST, 2020, at the designated meeting place, and roll was called of the duly constituted officers and members of the District, to wit:

- Donna B. Parker, President
- Kim Filiatrault, Secretary
- Rebecca B. Tullos, Treasurer,
- Michael Tucker, Vice-President, Assistant Secretary/Treasurer
- Shean Dalton, Director

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

ORDER AUTHORIZING THE ISSUANCE OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

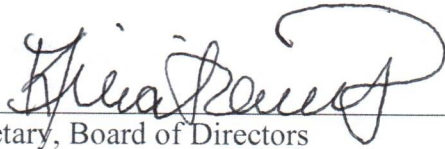
was duly introduced for the consideration of the District. It was then duly moved and seconded that the Order be passed; and, after due discussion, the motion, carrying with it the passage of the Order, prevailed and carried by the following vote:

AYES: 5
NOES: 0

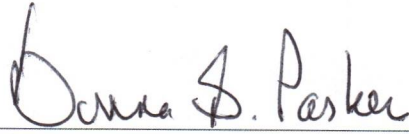
2. A true, full and correct copy of the aforesaid Order passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Order has been duly recorded in the Board's minutes of the Meeting; that the above and foregoing paragraph is a true, full and correct excerpt from the Board's minutes of the Meeting pertaining to the passage of the Order; that 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; that 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 aforesaid 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; that 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, Government Code, as amended and Section 49.064, Texas Water Code, as amended.

SIGNED AND SEALED this 13th day of August, 2020.



Secretary, Board of Directors



President, Board of Directors



ORDER AUTHORIZING THE ISSUANCE OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT, A PAYING AGENT/REGISTRAR AGREEMENT AND AN ESCROW AGREEMENT; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS

Adopted August 13, 2020

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**ORDER AUTHORIZING THE ISSUANCE OF BRUSHY CREEK
MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING
BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS;
APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION
OF A BOND PURCHASE AGREEMENT, A PAYING AGENT/REGISTRAR
AGREEMENT AND AN ESCROW AGREEMENT; ESTABLISHING PROCEDURES
FOR SELLING AND DELIVERING THE BONDS; AND AUTHORIZING OTHER
MATTERS RELATED TO THE ISSUANCE OF THE BONDS**

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT §

WHEREAS, Brushy Creek Municipal Utility District, formerly known as Williamson County Municipal Utility District No. 2, (collectively, the "District") was created by an Order of the Texas Water Commission, dated October 27, 1977, under the terms and provisions of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended (collectively, the "Act"), together with all amendments and additions thereto, and the District has all the rights, powers, privileges, authority and functions conferred by and is subject to all duties imposed by the Texas Water Code and the general laws relating to municipal utility districts; and

WHEREAS, at an election held on November 6, 2001 (the "Bond Election") the voters of the District authorized the issuance of bonds in one or more issues or series in the maximum amount of \$39,100,000 maturing serially or otherwise in such installments as are fixed by the Board of Directors of the District over a period or periods not exceeding 40 years from their date or dates, bearing interest at any rate or rates and to sell said bonds at any price or prices, provided that the net effective interest rate, on any issue or series shall not exceed the maximum legal limit in effect at the time of the issuance of each such issues or series of said bonds, all as may be determined by the Board of Directors of the District, for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending inside and outside its boundaries a water supply project including, but not limited to, all additions to such project and all works, improvements, facilities, land, plants, equipment, appliances, interests in property and contract rights needed therefor and administrative facilities needed in connection therewith, and to refund any bonds or other evidences of indebtedness issued by the District in an amount not to exceed one and one-half times the amount of bonds or other evidences of indebtedness issued by the District and to provide for the payment of principal and interest on such bonds by the levy and collection of a sufficient tax upon all taxable property within the District, all as authorized by the constitution and laws of the State of Texas; and

WHEREAS, the District currently has outstanding its obligations entitled: Unlimited Tax Refunding Bonds, Series 2012, Unlimited Tax Refunding Bonds, Series 2013, Waterworks and Sewer System Revenue Notes, Series 2016, Unlimited Tax Refunding Bonds, Series 2019, Unlimited Tax Refunding Bonds, Series 2020 and Unlimited Tax Bonds, Series 2020 (the "Outstanding Bonds"); and

WHEREAS, the District now desires to refund all or part of its Outstanding Bonds (the "Refundable Bonds," and those Refundable Bonds designated by the Pricing Officer in the Pricing Certificate, each as defined herein, to be refunded are herein referred to as the "Refunded Bonds"); and

WHEREAS, all of the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years of the date of the refunding bonds hereinafter authorized; and

WHEREAS, the refunding bonds hereafter authorized are being issued and delivered pursuant to Chapter 1207, Texas Government Code, as amended ("Chapter 1207"); and

WHEREAS, Chapter 1207 authorizes the District to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Bonds or eligible trust company or commercial bank, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, Chapter 1207 further authorizes the District to enter into an escrow agreement ("Escrow Agreement") with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the District and such escrow agent may agree, provided that such deposits may be invested and reinvested in Defeasance Securities, as defined herein; and

WHEREAS, the Escrow Agreement hereinafter authorized, constitutes an agreement of the kind authorized and permitted by Chapter 1207; and

WHEREAS, the Board of Directors of the District deems it advisable and in the best interest of the District to refund the Refunded Bonds in order to achieve a net present value debt service savings of not less than 3.00% of the principal amount of the Refunded Bonds net of any District contribution with such savings, among other information and terms to be included in a Pricing Certificate to be executed by the Chief Financial Officer or in his absence the General Manager of the District, all in accordance with the provisions of Chapter 1207, including Section 1207.007 thereof.

THEREFORE, BE IT ORDERED BY THE BOARD OF DIRECTORS OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT:

ARTICLE ONE

PREAMBLE

SECTION 1.01 **INCORPORATION OF PREAMBLE**. The Board of Directors of the District hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that the recitals are true and correct.

ARTICLE TWO
DEFINITIONS AND INTERPRETATIONS

SECTION 2.01. DEFINITIONS. When used in this Bond Order, except in Article Six, and in any resolution, order or order amendatory or supplemental hereto, the terms listed below shall have the meanings specified below, unless it is otherwise expressly provided or unless the context otherwise requires:

"Accreted Value" means, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the Pricing Certificate and the Accretion Table attached as an exhibit to the Pricing Certificate relating to the Bonds that shows the Accreted Value per \$5,000 maturity amount on the calculation date of maturity to its maturity.

"Accretion Table" means the exhibit attached to the Pricing Certificate that sets forth the rounded original principal amounts at the Issuance Date for the Premium Compound Interest Bonds and the Accreted Values and maturity amounts thereof as of each Compounding Date until final maturity.

"Additional Bonds" means the additional bonds payable from ad valorem taxes which the Board expressly reserves the right to issue in 11.01 of this Bond Order.

"Authorized Denominations" means the denomination of \$5,000 or any integral multiple thereof with respect to the Current Interest Bonds and the denomination of \$5,000 in maturity amount or any integral multiple thereof with respect to the Premium Compound Interest Bonds.

"Authorized Investments" means such investments authorized pursuant to the investment policy of the District and Chapter 2256 of the Government Code, as amended.

"Audit" means the audited financial statements of the District prepared by an independent auditor in accordance with the rules of the TCEQ in effect at such time.

"Blanket Issuer Letter of Representations" means the Blanket Issuer Letter of Representations between the District, the Registrar and DTC.

"Board of Directors" or "Board" means the governing body of the District.

"Bond Insurer" means the insurer of the bonds, if any, as designated in the Pricing Certificate.

"Bonds" shall mean and include collectively the Premium Compound Interest Bonds and Current Interest Bonds initially issued and delivered pursuant to this Bond Order and the Pricing Certificate and all substitute Bonds and Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Bond Order" or "Order" means this Bond Order of the Board of Directors authorizing the issuance of the Bonds.

"Business Day" means any day which is not a Saturday, Sunday or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed.

"Compounded Amount" means, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof plus all interest accrued and compounded to the particular date of calculation.

"Compounding Date" means the dates on which interest is compounded on the Premium Compound Interest Bonds as set forth in the Accretion Table attached to the Pricing Certificate.

"Current Interest Bonds" shall mean the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in the Pricing Certificate.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"District" means Brushy Creek Municipal Utility District and any other public agency succeeding to the powers, rights, privileges, and functions of the District and, when appropriate, the Board of Directors of the District.

"DTC" means The Depository Trust Company of New York, New York, or any successor securities depository.

"DTC Participant" means brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

"Escrow Agent" means the escrow agent designated by the Pricing Officer in the Pricing Certificate or any successor escrow agent under the Escrow Agreement.

"Escrow Agreement" means the agreement by and between the District and the Escrow Agent relating to the defeasance of the Refunded Bonds.

"Exchange Bonds" means Bonds registered, authenticated, and delivered by the Registrar, as provided in Section 4.01 of this Bond Order.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the twelve-month accounting period for the District, which presently is the twelve-month period beginning on October 1 of each year and ending on September 30 of the following year, but which may be changed from time to time by the Board of Directors.

"Initial Bond" means the Bond authorized, issued, and initially delivered as provided in Section 4.04 (d) of this Bond Order.

"Interest Payment Date" means a date on which interest on the Current Interest Bonds is due and payable as set forth in the Pricing Certificate.

"Issuance Date" means the date of closing and delivery of the Bonds.

"Maturity Amount" means the Compounded Amount of a Capital Appreciation Bond due on its Maturity.

"MSRB" means the Municipal Securities Rulemaking Board.

"Outstanding" when used with reference to Bonds, means, as of a particular date, all Bonds theretofore and thereupon delivered except: (a) any Bond canceled by or on behalf of the District at or before said date, (b) any Bond defeased or no longer considered Outstanding pursuant to the provisions of this Bond Order or otherwise defeased as permitted by applicable law and (c) any such Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Bond Order.

"Outstanding Bonds" means the bonds as set forth in the preamble to this Bond Order.

"Premium Compound Interest Bonds" shall mean the Bonds on which no interest is paid prior to maturity, maturing in various amounts and in the aggregate principal amount as set forth in the Pricing Certificate.

"Pricing Certificate" means the Pricing Certificate of the District's Pricing Officer to be executed and delivered pursuant to Section 3.02 hereof in connection with the issuance of the Bonds.

"Pricing Officer" means the General Manager of the District or in his or her absence, the Treasurer of the Board of Directors of the District, acting as the designated pricing officer of the District to execute the Pricing Certificate.

"Record Date" means the close of business on the fifteenth calendar day of the month next preceding each Interest Payment Date, whether or not such dates are Business Days.

"Redemption Date" means a date fixed for redemption of any Bond pursuant to the terms of this Bond Order.

"Refundable Bonds" means the Outstanding Bonds of the District.

"Refunded Bonds" means those Refundable Bonds designated by the Pricing Officer in the Pricing Certificate to be refunded.

"Register" means the registry system maintained on behalf of the District by the Registrar in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

"Registered Owner" or "Owner" means any person or entity in whose name a Bond is registered.

"Registrar" or "Paying Agent/Registrar" means the paying agent/registrar designated herein, or such other bank, trust company, financial institution, or other entity as designated by the Pricing Officer in the Pricing Certificate to act as paying agent and registrar for the Bonds in accordance with the terms of this Bond Order.

"Registration Books" means the books and records kept and maintained by the Paying Agent/Registrar relating to the registration, transfer, exchange and payment of the Bonds and the interest thereon.

"Replacement Bonds" means the Bonds authorized by the District to be issued in substitution for lost, apparently destroyed, or wrongfully taken Bonds as provided in Section 4.02 of this Bond Order.

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

"SEC" means the United States Securities and Exchange Commission.

"System" means the water system, sanitary sewer system, and drainage and storm sewer system of the District, including, but not limited to, all works, improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor and administrative facilities needed in connection therewith, together with any additional or extensions thereto or improvements and replacements thereof; provided that the system shall not include facilities acquired or constructed to perform contracts between the District and other persons, including private corporations, municipalities and political subdivisions which are financed by proceeds of the District's revenue bonds issued particularly to finance facilities needed to perform such contracts.

"Underwriter(s)" means the senior managing underwriter or initial purchaser as selected by the Pricing Officer, and such additional investment banking firms as the Pricing Officer deems appropriate.

SECTION 2.02. INTERPRETATIONS. The titles and headings of the articles and sections and the page numbers of this Bond Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Bond Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the taxes levied in payment thereof.

ARTICLE THREE
AUTHORIZATION, REGISTRATION, EXECUTION,
AND AUTHENTICATION OF BONDS

SECTION 3.01. AMOUNT, NAME, PURPOSE, AND AUTHORIZATION. Each Bond issued pursuant to this Bond Order shall be known and designated: "BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BOND," and the Bonds are hereby authorized to be issued and delivered in the maximum aggregate principal amount not to exceed \$9,000,000 for the purpose of refunding the Refunded Bonds and paying certain costs of issuing the Bonds. The title of each of the Bonds shall be designated by the year in which it is awarded pursuant to Section 3.02 below. The authority of the Pricing Officer to execute a Pricing Certificate shall expire at 5:00 p.m. C.D.T. on February 13, 2020. Bonds priced on or before 5:00 p.m. C.D.T. on February 13, 2020 may be delivered to the Underwriter after such date.

SECTION 3.02. DATE, DENOMINATIONS, NUMBERS, DELEGATION TO PRICING OFFICER. (a) There initially shall be issued, sold and delivered fully registered bonds, without interest coupons, which may be in the form of Current Interest Bonds or Premium Compound Interest Bonds, numbered consecutively from R-1 upward, in the case of Current Interest Bonds, and from PC-1 upward, and in the case of Premium Compound Interest Bonds (except the initial Bond delivered to the Attorney General of the State of Texas which shall be numbered T-1 and TPC-1, respectively) payable to the respective initial Registered Owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the Registered Owner or the Owner), in the denomination of \$5,000 or any integral multiple thereof with respect to Current Interest Bonds and in the denomination of \$5,000 in Maturity Amount or any integral multiple thereof with respect to Premium Compound Interest Bonds (each an "Authorized Denomination"), maturing not later than June 1, 2028, serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in the Pricing Certificate to be executed and delivered by the Pricing Officer pursuant to subsection (b) of this Section. The Pricing Certificate is hereby incorporated in and made a part of this Bond Order.

(b) As authorized by Section 1207.007, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the District in selling and delivering the Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded

Bonds" under this Bond Order and carrying out the other procedures specified in this Bond Order, including determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Current Interest Bonds and Premium Compound Interest Bonds, the rate of interest to be borne by each such maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the District, as well as any mandatory sinking fund redemption provisions, obtaining a rating on the Bonds, including execution of a rating application, procuring municipal bond insurance, if any, from the applicable Bond Insurer selected by the Pricing Officer and approving modifications to this Bond Order related to the procurement of such insurance and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined by the Pricing Officer that procuring such insurance would be financially desirable and advantageous and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Bonds, all of which shall be specified in the Pricing Certificate; provided that (i) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from its date to its delivery, (ii) none of the Bonds shall bear interest at a rate, or yield in the case of Premium Compound Interest Bonds, greater than the maximum authorized by law, and (iii) the refunding must produce a present value debt service savings of at least 3.00%, net of any District contribution. In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not to exceed the amount authorized in Section 3.01, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds.

(c) To achieve advantageous borrowing costs for the District, the Bonds shall be sold on a negotiated, placement or competitive basis as determined by the Pricing Officer in the Pricing Certificate. In determining whether to sell the Bonds by negotiated, placement or competitive sale, the Pricing Officer shall take into account any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale and any other matters which, in the judgment of the Pricing Officer, might affect the net borrowing costs on the Bonds.

If the Pricing Officer determines that the Bonds should be sold at a competitive sale, the Pricing Officer shall cause to be prepared a notice of sale and official statement in such manner as the Pricing Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale. If the Pricing Officer determines that the Bonds should be sold by a negotiated sale or placement, the Pricing Officer shall designate the placement purchaser or the senior managing underwriter for the Bonds and such additional investment banking firms as the Pricing Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the District (collectively, the "Underwriters"). The Pricing Officer, acting for and on behalf of the District, is authorized to enter into and carry out a purchase agreement or other agreement for the Bonds to be sold by negotiated sale or placement, with the underwriters or placement purchasers at such price, with and subject to such terms as determined by the Pricing Officer pursuant to Section 3(b) above.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the Board of Directors hereby determines that the delegation of the authority to the Pricing Officer to approve the method of sale and final terms and conditions of the Bonds as set forth in this Bond Order is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated in the Pricing Certificate will be, in the District's best interests and shall have the same force and effect as if such determination were made by the Board of Directors, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate an appropriate finding to that effect.

(d) The Current Interest Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in this Bond Order to their respective dates of maturity or redemption at the rates per annum set forth in the Pricing Certificate.

The Premium Compound Interest Bonds shall bear interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded semiannually on the dates set forth in the Pricing Certificate (the "Compounding Dates") commencing on the date set forth in the Pricing Certificate, and payable, together with the principal amount thereof, in the manner provided in the Form of Bonds at the rates set forth in the Pricing Certificate. Attached to the Pricing Certificate, if Premium Compound Interest Bonds are to be issued, shall be an Exhibit (the "Accretion Table") that will set forth the rounded original principal amounts at the Issuance Date for the Premium Compound Interest Bonds and the Accreted Values and Maturity Amounts thereof (per \$5,000 Maturity Amount) as of each Compounding Date, commencing the date set forth in the Pricing Certificate, and continuing until the final maturity of such Premium Compound Interest Bonds. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accretion Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accretion Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

SECTION 3.03. RESERVED.

SECTION 3.04. PAYMENT OF PRINCIPAL AND INTEREST. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of 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, upon their presentation and surrender as they become due and payable, whether at maturity or by prior redemption in the case of the Bonds, at the office for payment of the Registrar. The interest on each Bond shall be payable as set forth in the Pricing Certificate by check or draft payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Registered Owner as shown on the Register on the Record Date or, at the request of a Registered Owner, and at the Registered Owner's risk and expense, in such other manner as may be acceptable to the Registered Owner and the Registrar. Any accrued interest payable at maturity or earlier redemption, in the case of the Bonds, shall be paid upon presentation and surrender of the Bond to which such interest appertains.

If the date for payment on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 3.05. SUCCESSOR REGISTRARS. The District covenants that at all times while any Bonds are outstanding it will provide a bank, trust company, financial institution or other entity duly qualified and duly authorized to act as Registrar for the Bonds. The District reserves the right to change the Registrar on not less than 30 days written notice to the Registrar, so long as any such notice is effective at such time as to not disrupt payment on the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Registered Owner, by United States mail, first-class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SECTION 3.06. SPECIAL RECORD DATE. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a "Special Record Date." The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first-class, postage prepaid, not later than 5 days prior to the Special Record Date, to each affected Registered Owner of record as of the close of business on the day prior to the mailing of such notice.

SECTION 3.07. REGISTERED OWNERS. The District, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Registered Owner of such Bond for the purpose of making payment of principal or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the District, nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Registered Owner of any Bond in accordance with this Section 3.07 shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

SECTION 3.08. EXECUTION OF BONDS. The Bonds shall be signed on behalf of the District by the President or Vice-President of the Board of Directors and attested by the Secretary or Assistant Secretary, by their manual, lithographed, or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. The facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and the facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 3.09. AUTHENTICATION. The Initial Bond shall bear thereon a certificate of registration of the Comptroller of Public Accounts of the State of Texas (the "Comptroller"), substantially in the form provided in Section 6.02 of this Bond Order, manually executed by the Comptroller or a duly authorized deputy. All other Bonds shall bear a certificate of authentication, substantially in the form provided in Section 6.03 of this Bond Order, manually executed by an authorized officer of the Registrar. No Bond shall be valid or obligatory for any purpose unless either the registration certificate of the Comptroller or the authentication certificate of the Registrar has been signed by a duly authorized officer thereof.

ARTICLE FOUR
REGISTRATION, TRANSFER, AND EXCHANGE

SECTION 4.01. REGISTRATION, TRANSFER, AND EXCHANGE. So long as any Bonds remain Outstanding, the Registrar shall keep at its designated office for payment the Register, in which, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Bond Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at a designated office for payment of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or an authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall authenticate and deliver in exchange therefor, within 72 hours after such presentation, a new Bond or Bonds of the same type, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the designated office for payment of the Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 4.01. Each Bond delivered in accordance with this Section 4.01 shall be entitled to the benefits and security of this Bond Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Registrar may require the Registered 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 Registrar for such transfer or exchange shall be paid by the District.

SECTION 4.02. MUTILATED, LOST, OR STOLEN BONDS. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefore a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide

purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like amount, bearing a number not contemporaneously outstanding.

The District or the Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like amount, bearing a number not contemporaneously outstanding.

The District or the Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The District or the Registrar may require the Registered Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

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

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

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

Each replacement Bond delivered in accordance with this Section 4.02 shall be entitled to the benefits and security of this Bond Order to the same extent as the Bond or Bonds in lieu of which such replacement is delivered.

SECTION 4.03. CANCELLATION OF BONDS. All Bonds paid in accordance with this Bond Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated, registered, and delivered in accordance herewith, shall be canceled and destroyed

upon the making of proper records regarding such payment, redemption, exchange, or replacement. This Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

SECTION 4.04. BOOK-ENTRY-ONLY SYSTEM. (a) Book-Entry-Only System. The Bonds issued in exchange for the Initial Bond issued as provided in this subsection (d) shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (b) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Bond Order to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Bond Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the District to make payments of principal, and interest pursuant to this Bond Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Order with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Bond Order shall refer to such new nominee of DTC.

(b) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants

of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Bond Order.

(c) Payments to Cede & Co. Notwithstanding any other provision of this Bond Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations of the District to DTC.

(d) Initial Bond. The Bonds herein authorized shall be initially issued as a fully registered bond, being one Bond, and the Initial Bond shall be registered in the name of the Underwriter or the designees thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Underwriter. Immediately after the delivery of the Initial Bond on the closing date, the Paying Agent/Registrar shall cancel the Initial Bond delivered hereunder and exchange therefor Bonds in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 3.02, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(e) DTC Blanket Issuer Letter of Representations. The District confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds.

ARTICLE FIVE

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 5.01. **REDEMPTION OF BONDS.** The Bonds are subject to redemption as set forth in the Pricing Certificate.

ARTICLE SIX

FORM OF BOND

SECTION 6.01. **FORM OF BOND.** The Bonds authorized by this Bond Order shall be in substantially the following form, with such omissions, insertions, and variations, including variations in form, spacing, and style, as may be necessary and desirable and consistent with the terms of this Bond Order and the Pricing Certificate. The District shall provide sufficient printed bond forms, duly executed by the District, to the Registrar for registration, authentication, and delivery of the Bonds in accordance with the provisions of this Bond Order.

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BOND
SERIES 2020A***

[FORM OF FIRST PARAGRAPHS OF CURRENT INTEREST BONDS]

NO. R-	PRINCIPAL AMOUNT \$ _____
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<u>INTEREST RATE</u>	<u>DATE OF BONDS</u> *	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
----------------------	------------------------	----------------------	------------------

REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, **BRUSHY CREEK MUNICIPAL UTILITY DISTRICT** (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from the initial date of delivery of the Bonds, on _____* and semiannually on each _____* and _____* thereafter (an "Interest Payment Date") to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

*As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

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 principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at Wells Fargo Bank, N.A., which is the "Registrar" or "Paying Agent/Registrar" for this Bond, at its designated office for payment in [Minneapolis, Minnesota]. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Registrar by United States mail, first-class postage prepaid, on or before each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the close of business on the fifteenth calendar day of the month (whether or not a business day) preceding each such date whether or not a business day (the "Record Date") on the Register kept by the Registrar listing the names and addresses of the Registered Owners (the "Register"). In addition, interest may be paid by such other method, acceptable to the Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the District and the securities depository.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Registrar, from the "Interest and Sinking Fund" the creation of which is affirmed by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

**[FORM OF FIRST PARAGRAPHS
OF PREMIUM COMPOUND INTEREST BOND]**

NO. PC-

**MATURITY
AMOUNT
\$ _____**

INTEREST RATE **DATE OF BONDS** **MATURITY DATE** **CUSIP NO.**

_____*

REGISTERED OWNER:

MATURITY AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Maturity Amount set forth above, representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, calculated on the basis of a 360 day year comprised of twelve 30 day months, compounded semiannually on _____* and _____* of each year commencing _____, 20__*. For convenience of reference a table of the "Accreted Value" per \$5,000 Maturity Amount is printed on the reverse side of this Bond. The term "Accreted Value" as set forth in the table on the reverse side hereof shall mean the original principal amount plus initial premium per \$5,000 Maturity Amount compounded semiannually on _____* and _____* at the yield shown on such table.

THE MATURITY AMOUNT of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Maturity Amount of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, at the designated office for payment of Wells Fargo Bank, N.A., which is the "Paying Agent/Registrar" for this Bond, and shall be drawn by the Paying Agent/Registrar on, and solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the Registered Owner hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The District covenants with the Registered Owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds of the Maturity Amount, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

[FORM OF REMAINDER OF EACH BOND]

*As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, or day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of _____* and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of \$_____*[constituting \$_____ Current Interest Bonds and \$_____ Premium Compound Interest Bonds]** **FOR PURPOSES OF REFUNDING THE REFUNDED BONDS AND PAYING CERTAIN COSTS OF ISSUING THE BONDS.** Terms used herein and not otherwise defined shall have the meanings given in the Bond Order.

ON _____, 20__* **OR ON ANY DATE THEREAFTER**, the Current Interest Bonds maturing on and after _____, 20__*, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Current Interest Bonds, or portions thereof, or the sinking fund installments in the case of the Term Bonds, defined below, to be redeemed shall be selected and designated by the District, and if less than all of a maturity or sinking fund installment is to be redeemed the Registrar shall determine by lot or other random customary method the Current Interest Bonds, or portions thereof within such maturity or sinking fund installment to be redeemed (provided that a portion of a Current Interest Bond may be redeemed only in integral multiples of \$5,000 of principal amount). [The Premium Compound Interest Bonds are not subject to redemption prior to maturity.]* **

[**THE BONDS** maturing on _____, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Term Bonds Maturing _____, 20__	
Redemption Date	Principal Amount
_____, 20__	\$ _____
_____, 20__	_____ †

†Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option _____

*As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

** To be included only if Current Interest Bonds and Premium Compound Interest Bonds are both issued and completed as determined in the Pricing Certificate.

of the District by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.]*

AT LEAST 30 calendar days prior to the date fixed for any optional redemption of Current Interest Bonds or portions thereof prior to maturity a written notice of such optional redemption shall be sent by the Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Current Interest Bond to be redeemed at its address as it appeared on the Register on the 45th calendar day prior to such optional redemption date and to major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Registrar for the payment of the required redemption price for the Current Interest Bonds or portions for which such payment is made, all as provided above. The Current Interest Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Registrar out of the funds provided for such payment. If a portion of any Current Interest Bond shall be redeemed, a substitute Current Interest Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Order.

WITH RESPECT TO any optional redemption of the Current Interest Bonds, unless certain prerequisites to such redemption required by the Bond Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Current Interest Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Current Interest Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Current Interest Bonds have not been redeemed.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the principal denomination in the case of the Bonds, of any integral multiple

* Use of Term Bonds, if any, to be determined by the Pricing Officer.

of \$5,000. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Registrar shall not be required to make any such transfer, conversion or exchange of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or Interest Payment Date or (ii) within 45 calendar days prior to its redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

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

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

THE BONDS are payable from the proceeds of an ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order provides that the District reserves the right to consolidate with one or more conservation and reclamation districts, to consolidate its waterworks and sewer systems with the systems of such districts, and to secure the Bonds and any other bonds of the District or such districts by a pledge of the net revenues of the consolidated system. The Bond Order further provides that the pledge of taxes, to the payment of the Bonds shall terminate at such time, if ever, as (i) money and/or defeasance obligations in an amount sufficient to defease the Bonds is deposited with or made available to the

Registrar in accordance with the Bond Order or (ii) a city dissolves the District, and assumes the obligations of the District pursuant to existing Texas law.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, on taxable property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date with respect to the Bonds, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the operation and maintenance of the District's facilities, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owners of the Bonds. By acceptance of this Bond the Registered Owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties provided by the proceeds of the Bonds, is encumbered by any lien for the benefit of the Registered Owner of this Bond.

THE DISTRICT RESERVES THE RIGHT to issue additional bonds heretofore or hereafter duly authorized at elections held in the District payable from a lien on and pledge of taxes; bonds, notes and other obligations of inferior liens, and revenue bonds, notes and other obligations payable solely from revenues of the District or revenues to be received under contracts with other persons, including private corporations, municipalities and political subdivisions or from any other source. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund any bonds (including the Bonds) at or prior to their respective dates of maturity or redemption.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the Registered Owners of the Bonds may be modified with, in certain circumstances, the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the Registered Owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Registrar.

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 all taxable property within the District and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**BRUSHY CREEK MUNICIPAL
UTILITY DISTRICT**

Secretary,
Board of Directors

President,
Board of Directors

(DISTRICT SEAL)

INSERTIONS FOR THE INITIAL BOND

1. The Initial Current Interest Bond shall be in the form set forth in this Section, except that:
- A. immediately under the name of the Current Interest Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.
 - B. the first paragraph of the Current Interest Bond shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED BELOW, Brushy Creek Municipal Utility District (the "District"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____* in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Principal <u>Amount</u>	Maturity Date (_____)*	Interest <u>Rate</u>
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(Information from Pricing Certificate to be inserted)

The District promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from _____* at the respective Interest Rate per annum specified above. Interest is payable on _____* and semiannually on each _____* and _____* thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Bond for a Current Interest Bond shall be numbered "T-1."

2. The Initial Premium Compound Interest Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

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

"ON THE MATURITY DATE SPECIFIED BELOW, Brushy Creek Municipal Utility District (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Payment at Maturity on _____* in each of the years and in installments of the respective Maturity Amounts set forth in the following schedule:

*As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

<u>Principal Amount</u>	Maturity Date (____)*	Approx. Yield to Maturity	Stated <u>Interest Rate</u>	Amount Owed <u>at Maturity</u>
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(Information from Pricing Certificate to be inserted)

The amount shown above as the respective Maturity Amounts represent the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____* and _____* of each year commencing _____*. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table."

C. The initial Premium Compound Interest Bond shall be numbered "TPC-1."

SECTION 6.02. REGISTRATION OF INITIAL BOND BY STATE COMPTROLLER AND CERTIFICATE. The Initial Bond shall be registered by the Comptroller as provided by law. The registration certificate of the Comptroller shall be printed on the face of the Initial Bond and shall be in substantially the following form:

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 of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

SECTION 6.03. FORM OF AUTHENTICATION CERTIFICATE. The following form of authentication certificate shall be printed on the face of each of the Bonds other than the Initial Bond:

**PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)**

*As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds

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

Dated: _____

Registrar

By _____
Authorized Representative

SECTION 6.04. FORM OF ASSIGNMENT. A form of assignment shall be printed on the back of each of the Bonds and shall be in substantially the following form:

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on 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.

SECTION 6.05. CUSIP REGISTRATION. The Pricing Officer may secure the printing of identification numbers on the Bonds through the CUSIP Service Bureau.

SECTION 6.06. LEGAL OPINION AND BOND INSURANCE. The approving opinion of McCall, Parkhurst & Horton L.L.P., Austin, Texas, may be printed on the back of the Bonds over the certification of the Secretary or Assistant Secretary of the Board of Directors which may be executed in facsimile. In addition, if any bond insurance is obtained, any statement of insurance may be placed on the Bonds.

ARTICLE SEVEN

SECURITY OF THE BONDS

SECTION 7.01. SECURITY OF BONDS. (a) Pledge and Levy of Taxes. For each year while any Bond is outstanding and the District remains in existence, the Board shall consider the taxable property in the District and determine the actual rate of the bond tax and/or the maintenance tax per \$100 valuation of taxable property which is to be levied in that year, and levy the bond tax and/or the maintenance tax against all taxable property in the District.

- (i) Annual Budget. Prior to determining the bond tax and/or maintenance tax to be levied for any calendar year, the Board shall adopt an annual budget for the District setting forth the estimated expenditures and disbursements of the District's receipts, revenues, and funds, the estimated receipts, revenues and funds and the sources thereof, and the District's debt service for the succeeding fiscal year. The budget shall be developed in accordance with generally accepted accounting procedures, and shall contain such budgetary items and provisions as may be reasonably necessary to reflect adequately the operations and activities of the District for the annual period covered by the budget. The Board shall not determine the bond tax and/or maintenance tax to be levied for any calendar year until the Board has approved an annual budget for the expenditure and disbursement of the receipts, revenues and funds of the District.
- (ii) Establishment of District Interest and Sinking Fund and Levy of Bond Tax. A special fund or account, to be designated the Brushy Creek Municipal Utility District Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby confirmed and shall be established and maintained by the District at its official depository bank. 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 principal, interest and redemption price of the Bonds. All 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 Bonds are outstanding and unpaid, the District shall compute and ascertain the rate and amount of ad valorem tax, based on the latest approved tax rolls of the District, with full allowances being made for tax delinquencies and costs of tax collections, which will be sufficient to raise and produce the money required to make payment of the principal and interest on the Bonds. The rate and amount of ad valorem tax is

hereby ordered to be levied and is hereby levied without limit as to rate or amount against all taxable property in the District for each year while any of the Bonds are outstanding and unpaid, and such ad valorem tax shall be assessed and collected each such year and deposited to the credit of the Interest and Sinking Fund. In determining the rate of tax to be levied, assessed and collected, the District may take into account the amount of funds on hand in the Interest and Sinking Fund. The ad valorem taxes are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds as same become due.

(b) Perfection. Chapter 1208 of the Texas Government Code applies to the issuance of the Bonds and the pledge of taxes and revenues granted by the District under Section 7 of this Bond Order, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of taxes and revenues granted by the District under Section 7 of this Bond Order is to be subject to the filing requirements of Chapter 9 of the Texas Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9 of the Texas Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 7.02. PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS. The District covenants to pay promptly the principal of and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Bond Order, and to keep and perform faithfully all of its covenants, undertakings, and agreements contained in this Bond Order, or in any Bond executed, authenticated, and delivered hereunder.

SECTION 7.03. CONSOLIDATION OR DISSOLUTION OF DISTRICT. To the extent provided by law, the pledge of taxes set forth in Section 7.02 will terminate if a city takes over all properties and assets, assumes all debts, liabilities, and obligations, and performs all functions and services of the District, and the District is abolished pursuant to law.

ARTICLE EIGHT

FLOW OF FUNDS AND INVESTMENTS

SECTION 8.01. CREATION OF FUNDS. (a) Designation of Funds. The following funds are hereby created or affirmed:

- (i) the Operating Fund;
- (ii) Interest and Sinking Fund for the Bonds; and
- (iii) the Escrow Fund, if necessary.

Each fund shall be kept separate and apart from all other funds of the District. The Interest and Sinking Fund for the Bonds shall constitute a trust fund which shall be held in trust for the benefit

of the owners of the Bonds. All other funds shall be trust funds which shall be used solely as provided in this Bond Order until all of the Bonds have been retired, both as to principal and interest.

(b) Operating Fund. The operating fund of the District (the "Operating Fund") is hereby confirmed. The Operating Fund shall comprise the fund of the District used for operating and maintaining the System and paying general and administrative expenses of the District. The District shall deposit to the credit of the Operating Fund all income or increment which may grow out of the ownership and operation of the System and the District may deposit to the credit of the Operating Fund such other income or receipts of the District not otherwise required to be applied by this Bond Order. The Operating Fund shall be used solely (i) to pay all reasonable expenses of the administration, efficient operation, and adequate maintenance of the System, (ii) to transfer from time to time any excess to the credit of the Interest and Sinking Fund when needed to pay the obligations of the District payable therefrom, and (iii) to the extent the balance of the Interest and Sinking Fund and tax collections available for deposit thereto are sufficient to pay when due the obligations of the District payable from the Interest and Sinking Fund, to pay any other expense of the District.

SECTION 8.02. SECURITY OF FUNDS. Any cash balance in any fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be continuously secured in the manner provided by law for the security of funds of counties of the State of Texas.

SECTION 8.03. INTEREST AND SINKING FUND; TAX LEVY. The Interest and Sinking Fund (the "Interest and Sinking Fund") shall comprise the interest and sinking fund of the District. The District shall deposit to the credit of the Interest and Sinking Fund (i) accrued interest, if any, on the Bonds from their date to the date of their delivery, (ii) collections of District taxes to the extent provided in Section 7.01 hereof and (iii) amounts transferred from the Operating Fund to the extent provided in paragraph (b) of Section 8.01 hereof. The Interest and Sinking Fund, including interest earnings or amounts deposited therein, shall be applied solely to pay the principal or redemption price of and interest on the Bonds when due, and the fees of the Paying Agent/Registrar.

SECTION 8.04. ESCROW FUND. If required, the escrow fund (the "Escrow Fund") shall be created and shall be governed by the terms of an Escrow Agreement, if any.

SECTION 8.05. INVESTMENTS; EARNINGS. Moneys deposited into the Interest and Sinking Fund and any other fund or funds which the District may be invested or reinvested in Authorized Investments. All investments and any profits realized from and interest accruing on investments made from any fund may be transferred to the Interest and Sinking Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such fund. After such sale the moneys resulting therefrom shall belong to the fund from which the moneys for such investments were initially taken. The District shall not be responsible to the Registered Owners for any loss arising out of the sale of any investments.

ARTICLE NINE
APPLICATION OF FUNDS

SECTION 9.01. BOND PROCEEDS. Proceeds from the sale of the Bonds will be disbursed in accordance with this Article.

SECTION 9.02. ACCRUED INTEREST. Moneys received from the Underwriter of the Bonds representing accrued interest, if any, on the Bonds from their date to the date of their actual delivery shall be deposited into the Interest and Sinking Fund.

SECTION 9.03. ESCROW/PAYMENT FUND. The proceeds from the sale of the Bonds after making the deposit hereinbefore provided and paying or making provisions for the payment of the costs in connection with issuing the Bonds, shall be deposited into the Escrow Fund or other payment fund as described in the Escrow Agreement, if necessary.

ARTICLE TEN
PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION

SECTION 10.01. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

- (1) to use all of the proceeds of the Bonds for the payment of principal, interest and redemption premium on the Refunded Bonds;
- (2) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the Refunded Bonds or the projects financed or refinanced therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds of the Bonds or the Refunded Bonds or the projects financed or refinanced therewith are so used, such amounts, whether or not received by the District, with respect to such private business use, do not, under the terms of this Bond Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;
- (3) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the Refunded Bonds or the projects financed or refinanced therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days,

(B) amounts invested in a bona fide Interest and Sinking Fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

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

(8) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(9) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

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

(b) Rebate Fund. In order to facilitate compliance with the above covenant (10), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without

limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Refunded Bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President of the Board of Directors, the General Manager and the Chief Financial Officer to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Disposition of Project. The District covenants that the property constituting the projects financed or refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Designation as Qualified Tax-Exempt Bonds. The Pricing Officer is authorized to designate the Bonds as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the District (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 (or such amount permitted by section 265 of the Code) of "qualified tax-exempt obligations" being issued; (b) that the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year in which the Bonds are issued, by the District (or any subordinate entities) will not exceed \$10,000,000 (or such amount permitted by section 265 of the Code); and, (c) that the District will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code. The Pricing Officer may modify the foregoing representations, covenants and

warranties in the Pricing Certificate as necessary and appropriate to comply with applicable provisions of the Code in existence at the time of pricing of the Bonds.

ARTICLE ELEVEN

ADDITIONAL BONDS AND REFUNDING BONDS

SECTION 11.01. ADDITIONAL BONDS. (a) Additional Bonds, Inferior Obligations and Refunding Bonds. The District expressly reserves the right to issue in one or more installments or issues, additional bonds heretofore voted but unissued and bonds hereafter voted and payable from a lien on and pledge of taxes and revenues on a parity with and of equal dignity with the pledge for the Bonds; and bonds, notes and other obligations of inferior liens. This District further reserves the right to issue refunding bonds, notes or other obligations in any manner permitted by law to refund any Bonds, Additional Bonds, bonds, notes or other obligations at or prior to their respective dates of maturity or redemption.

(b) Special Project Bonds. The District further reserves the right to issue bonds in one or more installments for the purchase, construction, improvement, extension, replacement, enlargement or repair of water, sewer and/or drainage facilities necessary under contract or contracts with persons, corporations, municipal corporations, political subdivisions, or other entities, such bonds to be payable from and secured by the proceeds of such contract or contracts. The District further reserves the right to refund such bonds.

SECTION 11.02. OTHER BONDS. The District further reserves the right to issue combination unlimited tax and revenue bonds, if authorized by election, and such other bonds or other obligations as may be lawfully issued by the District including any obligations issued for special projects.

SECTION 11.03. REFUNDING BONDS. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund the Bonds, the Outstanding Bonds, any Additional Bonds, or any other bonds issued by the District, at or prior to their respective dates of maturity or redemption.

ARTICLE TWELVE

DEFAULT PROVISIONS

SECTION 12.01. REMEDIES IN EVENT OF DEFAULT. (a) Events of Default. Each of the following occurrences or events for the purpose of this Bond Order is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the District, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Bond Order, and, if such default is capable of cure, the continuation thereof for a period of sixty (60) days after notice of such default is given by any Registered Owner to the District.

(b) Remedies for Event of Default.

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

(ii) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then Outstanding.

(c) Remedies Not Exclusive.

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

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

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

(iv) None of the members of the Board of Directors, nor any other official or officer, agent, or employee of the District, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Bond Order, or because of any Event of Default or alleged Event of Default under this Bond Order.

SECTION 12.02. BOND ORDER IS CONTRACT. In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by the Registered Owners, the provisions of this Bond Order shall be deemed to be and shall constitute a contract between the District and the Registered Owners; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection, and security of each of the Registered Owners. The Bonds, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction of any Bond over any other, except as expressly provided herein.

ARTICLE THIRTEEN
DISCHARGE BY DEPOSIT

SECTION 13.01. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Bond Order, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent verification agent of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Bond Order, and such principal and interest shall be payable solely from such money or Defeasance Securities and thereafter the District will have no further responsibility with respect to amounts available to such Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bond, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by law) to receive payment when due on the Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Bond Order. Any money so deposited with the Paying Agent/Registrar as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar pursuant to this Section which is not required for the payment of such Bond and Premium Compound Interest Bond, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

(c) Notwithstanding any provision of any other Section of this Bond Order which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Bond Order.

(d) Notwithstanding anything elsewhere in this Bond Order, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of the order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

ARTICLE FOURTEEN

MISCELLANEOUS PROVISIONS

SECTION 14.01. DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Bond Order the District is named and referred to, it shall be deemed to include its successors and assigns, and all covenants and agreements in this Bond Order by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

SECTION 14.02. NO RECOURSE AGAINST DISTRICT OFFICERS OR DIRECTORS. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Order against any officer or director of the District or any person executing the Bonds.

SECTION 14.03. NO PERSONAL LIABILITY. No covenant or agreement contained in the Bonds, this Bond Order or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Board or any officer, agent, employee or representative of the Board in his individual capacity, and neither the directors, officers, agents, employees or representatives of the Board nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

SECTION 14.04. REGISTRAR. The Registrar shall act as agent for the payment of principal of and interest on the Bonds and shall maintain the Register for the Bonds, all in accordance with the terms of this Bond Order. If the Registrar or its successor becomes unable for any reason to act as Registrar hereunder, or if the Board of Directors of the District determines that

a successor Registrar should be appointed, a successor Registrar shall be selected by the District. Any successor Registrar shall be either a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

SECTION 14.05. REGISTRAR MAY OWN BONDS. The Registrar, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Registrar.

SECTION 14.06. BENEFITS OF ORDER PROVISIONS. Nothing in this Bond Order or in the Bonds, expressed or implied, shall give or be construed to give any person, firm, or corporation, other than the District, the Registrar, and the Registered Owners, any legal or equitable right or claim under or in respect of this Bond Order, or under any covenant, condition, or provision herein contained, all the covenants, conditions, and provisions contained in this Bond Order or in the Bonds being for the sole benefit of the District, the Registrar, and the Registered Owners.

SECTION 14.07. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Bond Order shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication, and the giving of such notice in such manner shall for all purposes of this Bond Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 14.08. SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section, or other part of this Bond Order, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Bond Order and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Bond Order to any other persons or circumstances shall not be affected thereby.

SECTION 14.09. ACCOUNTING. The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Registered Owner on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts by a certified public accountant or firm of certified public accountants, based on its Fiscal year, and copies of such audits will be made available to any Registered Owner upon request.

SECTION 14.10. FURTHER PROCEEDINGS. The Pricing Officer and the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Bond Order.

ARTICLE FIFTEEN

**SALE AND DELIVERY OF BONDS
AND APPROVAL OF DOCUMENTS**

SECTION 15.01. SALE OF BONDS. The Bonds shall be sold and delivered, pursuant to a bond purchase agreement by and between the District and Underwriter at a price and under the terms set forth in the Pricing Certificate.

SECTION 15.02. APPROVAL, REGISTRATION, AND DELIVERY. The President of the Board of Directors of the District and representatives of McCall, Parkhurst & Horton L.L.P. are hereby authorized and directed to submit the Initial Bond and a transcript of the proceedings relating to the issuance of the Bonds to the Attorney General of the State of Texas for approval and, following said approval, to submit the Initial Bond to the Comptroller for registration. Upon registration of the Initial Bond, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on the Initial Bond, and the seal of the Comptroller shall be impressed or placed in facsimile on the Initial Bond. After the Initial Bond has been registered, signed, and sealed by the Comptroller, it shall be delivered to the Underwriter, but only upon receipt of the full purchase price.

SECTION 15.03 APPROVAL OF OFFERING DOCUMENTS, PAYING AGENT/REGISTRAR AGREEMENT AND ESCROW AGREEMENT The Pricing Officer is hereby authorized to approve the Preliminary Official Statement and the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and to deem such document final in accordance with Rule 15c2-12, the Board further approves the distribution of such Official Statement in the reoffering of the Bonds by the Underwriter in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof.

The Paying Agent/Registrar Agreement by and between the District and Wells Fargo Bank, N.A. ("Paying Agent Agreement") is hereby approved and the Pricing Officer is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement as necessary.

The discharge and defeasance of Refunded Bonds shall be effectuated pursuant to the terms and provisions of an escrow or other agreement, in the form and containing the terms and provisions as shall be approved by a Pricing Officer, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for the District by the underwriters or purchasers, (b) to maximize the District's present value savings and/or to minimize the District's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Bonds and (d) to carry out the other intents and purposes of this Bond Order; and, the Pricing Officer is hereby authorized to execute and deliver such escrow or other agreement, on behalf of the District, in multiple counterparts.

To maximize the District's present value savings and to minimize the District's costs of refunding, the District hereby authorizes and directs that certain of the Refunded Bonds shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices

set forth in the Pricing Certificate, and the Pricing Officer is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

The Pricing Officer and the Escrow Agent, if any, are each hereby authorized (a) to subscribe for, agree to purchase, and purchase Defeasance Securities that are permitted investments for a defeasance escrow established to defease Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to authorize such contributions to the escrow fund as are provided in the Escrow Agreement.

SECTION 15.04. REFUNDING OF REFUNDED BONDS. That concurrently with the delivery of the Bonds, the Pricing Officer shall cause to be deposited an amount from the proceeds of the sale of the Bonds with the Escrow Agent sufficient, together with other legally available funds of the District, to provide for the refunding and defeasance of the Refunded Bonds. The Pricing Officer is further authorized and directed to apply and there is hereby appropriated such moneys of the District as are necessary to fund the escrow fund to be established by the Escrow Agreement with amounts sufficient to provide for the defeasance of the Refunded Bonds on the date of delivery of the Bonds. The Pricing Officer is hereby authorized and directed to issue to the Escrow Agent Notice of Redemption with respect to the Refunded Bonds in substantially the form that is set forth in Exhibit "A" hereto with such changes as necessary in accordance with the Pricing Certificate.

ARTICLE SIXTEEN

OPEN MEETING AND EFFECTIVE DATE

SECTION 16.01. OPEN MEETING. The Board of Directors officially finds, determines, and declares that this Bond Order was reviewed, carefully considered, and adopted at a meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Bond Order and the subject matter hereof has been discussed, considered, and acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 16.02. EFFECTIVE DATE OF BOND ORDER. This Bond Order shall take effect and be in full force and effect upon and after its passage.

ARTICLE SEVENTEEN
AMENDMENTS

SECTION 17.01. AMENDMENTS. (a) Amendment with Consent of Owners of 51% of Bonds. The owners of 51% in aggregate principal amount of then outstanding Bonds shall have the right from time to time to approve any amendment to this Bond Order which may be deemed necessary or desirable by the District; provided however, that, other than as permitted by subsection (f) of this Section 17.01, nothing herein contained shall permit or be construed to permit the amendment, without the consent of the owner of each of the outstanding Bonds affected thereby, of the terms and conditions of this Bond Order or the Bonds so as to:

- (1) change debt service requirements, interest payment dates or the maturity or maturities of the outstanding Bonds;
- (2) reduce the rate of interest borne by any of the outstanding Bonds;
- (3) reduce the amount of the principal of, redemption premium, if any, or interest on the outstanding Bonds or impose any conditions with respect to such payments;
- (4) modify the terms of payment of principal of, redemption premium, if any, or interest on the outstanding Bonds, or impose any conditions with respect to such payments;
- (5) affect the right of the Registered Owners of less than all of the Bonds then outstanding; or
- (6) decrease the minimum percentage of the principal amount of Bonds necessary for consent to any such amendment.

(b) Notice of Amendment. If at any time the District shall desire to amend this Bond Order it may cause a written notice of the proposed amendment to be published at least once on a business day in a financial newspaper, journal, or publication of general circulation in the District of New York, New York, or in the State of Texas. If, because of temporary or permanent suspension of the publication or general circulation of all such newspapers, journals, or publications, it is impossible or impractical to publish such notice in the manner provided herein, then such publication in lieu thereof as shall be made by the Registrar shall constitute a sufficient publication of notice. In addition to such publication, the Registrar shall cause a written notice of the proposed amendment to be given by registered or certified mail to Registered Owners of the Bonds as shown on the Registration Books maintained by the Registrar; provided, however, that failure to receive such written notice of the proposed amendment, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding in connection with, or the adoption of, such amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all Registered Owners of Bonds.

(c) Consent to Amendment. Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other services of written notice the

District shall receive an instrument or instruments executed by the Registered Owners of at least 51% in aggregate principal amount of all Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment, the District may adopt the amendatory resolution or order in substantially the same form.

(d) Effect of Amendment. Upon the adoption of any amendatory resolution or order pursuant to the provisions of this Section, this Bond Order shall be deemed to be amended in accordance with such amendatory resolution or order, and the respective rights, duties, and obligations under such amendatory resolution or order of all the Registered Owners shall thereafter be determined and exercised subject in all respects to such amendments.

(e) Consent of Registered Owners. Any consent given by a Registered Owners pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the Bonds during such period. Such consent may be revoked by the Registered Owner who gave such consent at any time after six months from the date of the first giving of such notice, or by a successor in title, by filing notice thereof with the Registrar and the District, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the then outstanding Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Amendments Without Consent. Notwithstanding the provisions of (a) through (f) of this Section, and without notice of the proposed amendment and without the consent of the Registered Owners. The District may, at any time, amend this Bond Order to cure any ambiguity or to cure, correct, or supplement any defective or inconsistent provision contained therein, or to make any other change that does not in any respect materially and adversely affect the interest of the Registered Owners, provided that no such amendment shall be made contrary to the provision to Section 17.01 (a), and a duly certified or executed copy of each such amendment shall be filed with the Registrar.

ARTICLE EIGHTEEN

OTHER ACTIONS AND MATTERS

SECTION 18.01. OTHER ACTIONS. The President, Vice President, Secretary or Assistant Secretary of the Board of Directors and the General Manager and Chief Financial Officer of the District, and all other officers, employees 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 corporate seal and on behalf of the District all instruments as may be necessary or desirable in order to carry out the terms and provisions of this Bond Order, the Bonds, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, any insurance commitment letter or insurance policy and the Official Statement. In addition, prior to the initial delivery of the Bonds, President, Vice President, Secretary or Assistant Secretary of the Board of Directors and the General Manager and Chief Financial Officer of the District, the District's attorney and bond counsel are hereby authorized and directed to approve any technical changes or corrections to this

Bond Order or to any of the instruments authorized and approved by this Bond Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Bond Order and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of the Bond Insurer, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office.

SECTION 18.02. ADDITIONAL BOND INSURANCE PROVISIONS. The Pricing Officer is authorized to determine whether the Bonds sell with bond insurance and any provisions related to such insurance as evidenced in the Pricing Certificate in accordance with Section 1207.007(b)(5) of the Texas Government Code, as amended.

SECTION 18.03. PAYMENT OF ATTORNEY GENERAL FEE. The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

ARTICLE NINETEEN

CONTINUING DISCLOSURE

SECTION 19.01. CONTINUING DISCLOSURE UNDERTAKING. (a) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"SEC" means the United States Securities and Exchange Commission.

(b) **Annual Reports.** The District shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of any fiscal year, financial information and operating data with respect to the District of the general type included in the final Official Statement authorized by Section 15.03 of this Bond Order, being the information as designated by the Pricing Officer in the Pricing Certificate. Any financial statements to be so provided shall be (1) prepared in accordance with the accounting principles described in

Exhibit "B" hereto, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve months after any such fiscal year end, then the District shall provide unaudited financial statements within such twelve month period, and audited financial statements for the applicable fiscal year, when and if the audit report on such statements become available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(c) Event Notices. The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

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

11. Rating changes;
12. Bankruptcy, insolvency, receivership or similar event of the District;
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material;
15. Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

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

(d) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of the

Rule, except that the District in any event will give notice of any deposit made in accordance with Section 13.01 of this Bond Order that causes the Bonds no longer to be outstanding.

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

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

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

Should the Rule be amended to obligate the District to make filings with or provide notices to entities other than the MSRB, the District hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

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

The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Bond Order that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this

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

(e) Format, Identifying Information, and Incorporation by Reference. All financial information, operating data, financial statements, and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB.

Financial information and operating data to be provided pursuant to Subsection (b) of this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

EXHIBIT "A"

FORM OF NOTICES OF REDEMPTION/DEFEASANCE*

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

Notice is hereby given that the following obligations issued by Brushy Creek Municipal Utility District (the "District") have been defeased and called for redemption prior to their scheduled maturities, at a price of par and accrued interest to the date of redemption, to-wit:

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX BONDS, SERIES ____*, all outstanding obligations maturing on ____* in each of the years ____* through ____*, inclusive, aggregating \$_____* in principal amount.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>CUSIP**</u>
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Due provision for the payment of the above-described obligations has been made with Wells Fargo Bank, N.A. (the "Bank"), the paying agent for said obligations, and said obligations shall be presented for payment either in person or by mail, at the following address:

First Class Certified	Overnight & Courier	In Person
Wells Fargo Bank, NA Corporate Trust Operations MAC N9303-12 PO BOX 1517 Minneapolis, MN 55480	Wells Fargo Bank, NA Corporate Trust Services, 12 th Floor MAC N9303-121 6 th & Marquette Ave. Minneapolis, MN 55479	Northstar East Building Corporate Trust Operations 608 2 nd Avenue South Minneapolis, MN

Interest on the redeemed obligations shall cease to accrue thereon after their redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, as amended, payors making certain payments due on debt securities may be obligated to deduct and withhold a portion of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of this withholding tax, such payees should submit a certified taxpayer identification number when surrendering the Bonds for redemption.

*To be revised to conform with the Pricing Certificate.

**The CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. The District and Paying Agent shall not be responsible for the selection or the correctness of the CUSIP numbers set forth herein or as printed on any Bond.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

EXHIBIT "B"

CONTINUING DISCLOSURE UNDERTAKING

The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in the Official Statement under the headings "DISTRICT DEBT" (except Estimated Overlapping Debt), "TAX DATA," "THE SYSTEM – Water and Wastewater Operations," "WATERWORKS AND SEWER SYSTEM OPERATION STATEMENT" and "APPENDIX A." The Appendix A financial statements of the general type included in the Official Statement shall also be provided at the time and in the manner set forth in Section 19.01(b) of this Bond Order.

Accounting Principles

The accounting and reporting policies of the District relating to the funds and account groups will conform to generally accepted accounting principles (GAAP) as applied to governmental entities.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(A Political Subdivision of the State of Texas Located in Williamson County)

\$5,600,000
UNLIMITED TAX REFUNDING BONDS,
SERIES 2020A

PURCHASE AGREEMENT

September 2, 2020

Board of Directors
Brushy Creek Municipal Utility District
c/o McCall, Parkhurst & Horton L.L.P.
100 Congress Avenue, Suite 1800
Austin, Texas 78701

Ladies and Gentlemen:

The undersigned, BOK Financial Securities, Inc. (the “*Underwriter*”), acting on its own behalf and not acting as fiduciary or agent for the Brushy Creek Municipal Utility District (the “*Issuer*”), offers to enter into the following agreement (this “*Agreement*”) with the Issuer, which, upon the Issuer’s written acceptance of this offer, will be binding upon the Issuer and upon the Underwriter. This offer is made subject to the Issuer’s written acceptance hereof on or before 10:00 p.m., Central Time, on September 2, 2020, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Issuer at any time prior to the acceptance hereof by the Issuer. Terms not otherwise defined in this Agreement shall have the same meanings set forth in the Bond Order (as defined herein) or in the Official Statement (as defined herein).

1. Purchase and Sale of the Bonds. Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriter, all, but not less than all, of the Issuer’s \$5,600,000 Unlimited Tax Refunding Bonds, Series 2020A (the “*Bonds*”).

The Issuer acknowledges and agrees that (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arm’s length transaction between the Issuer and the Underwriter; (ii) the Underwriter has financial and other interests that differ from those of the Issuer; (iii) the Underwriter is not acting as municipal advisor, financial advisor or fiduciary to the Issuer and has not assumed any advisory or fiduciary responsibility to Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided or is currently providing other services to

the Issuer on other matters); (iv) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer has consulted its own financial, municipal, legal, accounting, tax and/or other advisors, as applicable, to the extent it deems appropriate. The Issuer hereby acknowledges that the Underwriter has provided to the Issuer prior disclosures regarding its role as underwriter and under Rule G-17 of the Municipal Securities Rulemaking Board (the “MSRB”), which have been received by the Issuer. The Issuer has a municipal advisor in this transaction.

The principal amount of the Bonds to be issued, the dated date therefor, the maturities and interest rates per annum are set forth in Schedule I hereto. The Bonds shall be as described in and shall be issued and secured under and pursuant to the provisions of (i) the order adopted by the Board of Directors of the Issuer (the “Board”) on August 13, 2020 (the “Order”), in which the Issuer delegated to certain officials of the Issuer the authority to effect the sale of the Bonds by executing a “Pricing Certificate” approving the terms of pricing and sale of the bonds (the “Pricing Certificate and, together with the Order, the “Bond Order”).

The purchase price for the Bonds shall be \$6,215,130.00 (representing the par amount of the Bonds, plus a reoffering premium of \$657,603.75 on the Bonds, and less an underwriting discount of \$42,473.75), plus accrued interest from September 1, 2020 to the date of delivery.

A portion of the proceeds received by the Issuer from the sale of the Bonds pursuant hereto and certain other funds of the Issuer, if any, shall be deposited with Wells Fargo Bank, N.A., Dallas, Texas as escrow agent (the “Escrow Agent”), under and pursuant to the escrow agreement (the “Escrow Agreement”) referred to in the Bond Order for the purpose of depositing cash and purchasing securities (the “Securities”) authorized by the order authorizing the issuance of the bonds being refunded (the “Refunded Bonds”), which shall mature and the interest on which shall be payable at such times and in such amounts so as to provide money which, together with cash balances from time to time on deposit in the trust account established pursuant to the Escrow Agreement, will be sufficient to pay the principal of and interest on the Refunded Bonds when due at stated maturity or prior redemption, as applicable.

The Underwriter hereby represents and warrants that it is exempt from the requirements of Section 2252.908 of the Texas Government Code, as amended, pursuant to subsection (c)(4) thereof, and accordingly, the Underwriter is not required to file a Certificate of Interested Parties Form 1295 otherwise prescribed thereunder.

The Underwriter hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable federal law. As used in the foregoing verification, “boycott Israel” means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Underwriter understands “affiliate” to mean an entity that controls, is controlled by, or is under common control with the Underwriter and exists to make a profit.

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

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

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

2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds at prices not to exceed the public offering prices (or yields not less than the reoffering yields) set forth on the inside cover of the Official Statement and may subsequently change such offering prices or yields without any requirement of prior notice. Subject to the provisions of Section 3 hereof, the Underwriter also reserves the right to: (i) over-allot or effect transactions that stabilize or maintain the market price of the Bonds at levels above those that might otherwise prevail in the open market and (ii) discontinue such stabilizing, if commenced, at any time without notice; provided, however that no such actions shall affect the certification of the original issue price of the Bonds as provided below. Subject to the provisions of Section 3 hereof, after the initial public offering, the Underwriter may offer and sell Bonds to certain dealers (including dealers depositing Bonds into investment trusts) and others at prices lower (or yields greater) than the public offering prices or yields stated on the inside cover of the Official Statement.

3. Establishment of Issue Price. Notwithstanding any provision of this Agreement to the contrary, the following provisions related to the establishment of the issue price of the Bonds apply:

(a) *Definitions.* For purposes of this Paragraph, the following definitions apply:

(i) "*Public*" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than a Participating Underwriter or a Related Party to a Participating Underwriter.

(ii) "*Participating Underwriter*" means (A) any person that agrees pursuant to a written contract with the Issuer (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds

to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public).

(iii) “*Related Party*” means any two or more persons who are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profits interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

(iv) “*Sale Date*” means the date of execution of this Agreement by all parties.

(b) *Issue Price Certificate*. The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and to execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the initial offering price (“Initial Offering Price”) or prices or the sales price or prices to the Public of the Bonds. As applicable, all actions to be taken by the Issuer under this Section to establish the issue price of the Bonds may be taken on behalf of the Issuer by the Issuer’s financial advisor or Bond Counsel and any notice or report to be provided to the Issuer may be provided to the Issuer’s financial advisor or Bond Counsel.

(c) *Substantial Amount Test*. Other than those maturities of the Bonds which are designated by the Underwriter in writing (“*Hold-the-Price Maturities*”), the Issuer will treat the first price at which at least ten percent (“*Substantial Amount*”) in principal amount of each maturity of the Bonds is sold to the Public as of the Sale Date (“*Substantial Amount Test*”) as the issue price of that maturity (or each separate CUSIP number within that maturity). The Hold-the-Price Maturities will be identified in the Issue Price Certificate and will be subject to the Hold-the-Price Restriction (as hereinafter defined). At or promptly after the execution of this Agreement, the Underwriter will report to the Issuer the price or prices at which the Underwriter has offered and sold to the Public each maturity of the Bonds.

(d) *Hold-The-Price Restriction*. The Underwriter agrees that each Participating Underwriter will neither offer nor sell any of the Hold-the-Price Maturities to any person at a price that is higher than the applicable Initial Offering Price for such maturity during the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which the Participating Underwriter have sold a Substantial Amount of such a Maturity to the Public at a price that is no higher than the Initial Offering Price of such Maturity (“*Hold-the-Price Restriction*”).

The Underwriter shall promptly advise the Issuer when the Participating Underwriter have sold a Substantial Amount of each such Hold-The-Price Maturity to the Public at a price that is no higher than the applicable Initial Offering Price such Hold-The-Price Maturity, if that occurs prior to the close of the fifth business day after the Sale Date.

The Issuer acknowledges that, in making the representation set forth in this subparagraph, the Underwriter will rely on (A) the agreement of each Participating Underwriter to comply with the Hold-The- Price Restriction, as set forth in an agreement among underwriters and the related pricing wires, (B) in the event a selling group has been created in connection with the sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the Hold-The-Price Restriction, as set forth in a selling group agreement and the related pricing wires, and (C) in the event that a Participating Underwriter is a party to a third-party distribution agreement that was employed in connection with the sale of the Bonds, the agreement of each such underwriter, dealer or broker-dealer that is a party to such agreement to comply with the Hold-The-Price Restriction, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that each Participating Underwriter will be solely liable for its failure to comply with its agreement regarding the Hold-the-Price Restriction and that no Participating Underwriter will be liable for the failure of any other Participating Underwriter to comply with its corresponding agreement regarding the Hold-The-Price Restriction as applicable to the Bonds.

(e) *Agreements Among Participating Underwriters.* The Underwriter confirms that (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement to which the Underwriter is a party relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter, each dealer who is a member of any selling group, and each broker-dealer that is a party to any such third-party distribution agreement, as applicable, to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until it is notified by the Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public, (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter and as set forth in the relating pricing wires, and (C) acknowledge that, unless otherwise advised by the Participating Underwriter, the Underwriter will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the Public, together with related pricing wires, contains or will contain language obligating each Participating Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allotted to it until it is notified by the Underwriter or the applicable Participating Underwriter that either the Substantial Amount Test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the Public and (B) comply with the Hold-the-Price Restriction, if applicable, in each case if and for so long as directed by the Underwriter or the applicable Participating Underwriter and as set forth in the relating pricing wires.

(f) *Sale to Related Party not a Sale to the Public.* The Underwriter acknowledges

that sales of any Bonds to any person that is a Related Party to a Participating Underwriter does not constitute sales to the Public for purposes of this Section. If a Related Party to a Participating Underwriter purchases during the initial offering period all of a Hold-The-Price Maturity, the related Participating Underwriter will notify the Underwriter and will take steps to confirm in writing that such Related Party will either (i) hold such Bonds for its own account, without present intention to sell, reoffer, or otherwise dispose of such Bonds for at least five business days from the Sale Date, or (ii) comply with the Hold-The-Price Restriction.

4. The Official Statement.

(a) The Issuer previously has delivered or caused to be delivered copies of the Preliminary Official Statement dated August 27, 2020 (the “*Preliminary Official Statement*”) to the Underwriter in a “designated electronic format,” as defined in MSRB Rule G-32 (“*Rule G-32*”). The Issuer will prepare a final Official Statement relating to the Bonds, which will be (i) dated the date of this Agreement, (ii) complete within the meaning of the United States Securities and Exchange Commission’s Rule 15c2-12, as amended (the “*Rule*”), (iii) substantially in the form of the most recent version of the Preliminary Official Statement provided to the Underwriter before the execution hereof and (iv) in both a “designated electronic format” consistent with the requirements of Rule G-32 and in a printed format. Such final Official Statement, including the cover page thereto, all exhibits, schedules, appendices, maps, charts, pictures, diagrams, reports, and statements included or incorporated therein or attached thereto, and all amendments and supplements thereto that may be authorized for use with respect to the Bonds, is herein referred to as the “*Official Statement.*” Until the Official Statement has been prepared and is available for distribution, the Issuer shall provide or cause to be provided to the Underwriter sufficient quantities (which may be in electronic form) of the Preliminary Official Statement as the Underwriter reasonably deems necessary to satisfy the obligation of the Underwriter under the Rule with respect to distribution to each potential customer, upon request, of a copy of the Preliminary Official Statement.

(b) The Preliminary Official Statement has been prepared by the Issuer for use by the Underwriter in connection with the public offering, sale and distribution of the Bonds. The Issuer hereby represents and warrants that the Preliminary Official Statement has been “deemed final” by the Issuer as of its date for purposes of the Rule, except for the omission of such information which is dependent upon the final pricing of the Bonds for completion, all as permitted to be excluded by Section (b)(1) of the Rule.

(c) The Issuer represents that an officer of the Issuer has reviewed and approved the information in the Official Statement and hereby authorizes the Official Statement to be used by the Underwriter in connection with the public offering and sale of the Bonds. The Issuer ratifies and consents to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement in connection with the public offering of the Bonds. The Issuer shall provide, or cause to be provided, to the Underwriter as soon as practicable after the date of the Issuer’s acceptance of this Agreement (but, in any event, not later than within seven business days after the Issuer’s acceptance of this Agreement and in sufficient time to accompany any confirmation that requests payment from any customer) copies of the Official Statement which is complete as of the date of its delivery to the Underwriter

(i) in a “designated electronic format” consistent with the requirements of Rule G-32 and
(ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB. The Issuer hereby confirms that it does not object to the distribution of the Preliminary Official Statement or the Official Statement in electronic form.

(d) If, after the date of this Agreement to and including the date the Underwriter is no longer required to provide an Official Statement to potential customers who request the same pursuant to the Rule (the earlier of (i) ninety (90) days from the “end of the underwriting period” (as defined in the Rule) and (ii) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the “end of the underwriting period” for the Bonds), the Issuer becomes aware of any fact or event which might or would cause the Official Statement, as then supplemented or amended, to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading, or if it is necessary to amend or supplement the Official Statement to comply with law, the Issuer will notify the Underwriter (and for the purposes of this clause provide the Underwriter with such information as it may from time to time request), and if, in the reasonable opinion of the Underwriter, such fact or event requires preparation and publication of a supplement or amendment to the Official Statement, the Issuer will forthwith prepare and furnish, at the Issuer’s own expense (in a form and manner approved by the Underwriter), a reasonable number of copies of either amendments or supplements to the Official Statement so that the statements in the Official Statement as so amended and supplemented will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading or so that the Official Statement will comply with law; provided, however, that for all purposes of this Agreement and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York (“DTC”), or its book-entry-only system and or the information provided by Assured Guaranty Municipal Corp. (the “Bond Insurer”) under the caption “RATINGS.” If such notification shall be subsequent to the Closing, the Issuer shall furnish such legal opinions, certificates, instruments and other documents as the Underwriter may reasonably deem necessary to evidence the truth and accuracy of such supplement or amendment to the Official Statement. The Issuer shall provide any such amendment or supplement, or cause any such amendment or supplement to be provided, (i) in a “designated electronic format” consistent with the requirements of Rule G-32 and (ii) in a printed format in such quantity as the Underwriter shall reasonably request in order for the Underwriter to comply with Section (b)(4) of the Rule and the rules of the MSRB.

(e) The Underwriter hereby agrees to timely file, or cause to be filed, the Official Statement (and any amendment or supplement to the Official Statement prepared in accordance with Section 4(d) above) and the Escrow Agreement with (i) the MSRB or its designee (including the MSRB’s Electronic Municipal Market Access System) or (ii) other repositories approved from time to time by the United States Securities and Exchange Commission (in addition to the filing referred to in clause (i) above). Unless otherwise

notified in writing by the Underwriter, the Issuer can assume that the “end of the underwriting period” for purposes of the Rule is the date of the Closing.

(f) To the knowledge of the Issuer, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person which financial information or operating data is material to an evaluation of the offering of the Bonds.

5. Representations , Warranties , and Covenants of the Issuer. The Issuer hereby represents and warrants to and covenants with the Underwriter that:

(a) The Issuer is a body politic and corporate and a political subdivision of the State of Texas (the “*State*”) duly created, organized and existing under the Constitution and laws of the State, and has full legal right, power and authority, and at the date of the Closing will have full legal right, power and authority, under the laws of the State, including particularly Chapters 49 and 54 of the Texas Water Code, as amended, and Chapter 1207, Texas Government Code, as amended, (collectively, the “*Act*”), and the Bond Order (i) to enter into, execute and deliver this Agreement, the Bond Order, the Escrow Agreement and the Continuing Disclosure Undertaking, as defined in Section 7(j)(4) hereof, and all documents required hereunder and thereunder to be executed and delivered by the Issuer (this Agreement, the Bond Order, the Escrow Agreement, the Continuing Disclosure Undertaking and the other documents referred to in this clause are hereinafter referred to as the “*Issuer Documents*”), (ii) to sell, issue and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate the transactions described by the Issuer Documents and the Official Statement; and, the Issuer has complied, and will at the Closing be in compliance in all respects, with the terms of the Act and the Issuer Documents as they pertain to such transactions;

(b) By all necessary official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized all necessary action to be taken by it for (i) the adoption of the Bond Order and the issuance and sale of the Bonds on the terms set forth herein, (ii) the approval, execution and delivery of, and the performance by the Issuer of the obligations on its part, contained in the Bonds and the Issuer Documents, (iii) the approval, distribution and use of the Preliminary Official Statement and the Official Statement for use by the Underwriter in connection with the public offering of the Bonds and (iv) the consummation by it of all other transactions contemplated by the Official Statement, and the Issuer Documents and any and all such other agreements and documents as may be required to be executed, delivered and/or received by the Issuer in order to carry out, give effect to, and consummate the transactions contemplated herein and in the Official Statement;

(c) This Agreement constitutes a legal, valid and binding obligation of the Issuer, enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium, sovereign immunity of political subdivisions and other similar laws and principles of equity relating to or affecting the enforcement of creditors’ rights; the other Issuer Documents, when duly executed and delivered, will constitute legal, valid and binding obligations of the Issuer, enforceable in accordance with their respective terms,

subject to sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; the Bonds, when issued, delivered and paid for, in accordance with the Bond Order and this Agreement, will constitute legal, valid and binding obligations of the Issuer entitled to the benefits of the Bond Order and enforceable in accordance with their terms, subject to sovereign immunity of political subdivisions, bankruptcy, insolvency, reorganization, moratorium and other similar laws and principles of equity relating to or affecting the enforcement of creditors' rights; upon the issuance, authentication and delivery of the Bonds as aforesaid, the Bond Order will provide, for the benefit of the holders of the Bonds, the legally valid and binding pledge of ad valorem taxes and lien it purports to create as set forth in the Bond Order, being the pledge to levy, assess and collect an annual ad valorem tax, without legal limitation as to rate or amount, upon all taxable property within the boundaries of the Issuer, sufficient to pay the principal of and interest on the Bonds when due;

(d) The Issuer is not in breach of or default in any material respect under any applicable constitutional provision, law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or any of its property or assets are otherwise subject, and no event has occurred and is continuing which constitutes or with the passage of time or the giving of notice, or both, would constitute a default or event of default by the Issuer in any material respect under any of the foregoing; and the execution and delivery of the Bonds, the Issuer Documents and the adoption of the Bond Order and compliance with the provisions on the Issuer's part contained therein, will not conflict with or constitute a material breach of or default in any material respect under any constitutional provision, administrative regulation, judgment, decree, loan agreement, indenture, bond, note, resolution, agreement or other instrument to which the Issuer is a party or to which the Issuer is or to which any of its property or assets are otherwise subject nor will any such execution, delivery, adoption or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of the property or assets of the Issuer to be pledged to secure the Bonds or under the terms of any such law, regulation or instrument, except as provided by the Bonds and the Bond Order;

(e) Except for the approval of the Bonds by the Attorney General of the State of Texas and the registration thereof by the Comptroller of Public Accounts of the State, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization of, which would constitute a condition precedent to, or the absence of which would materially adversely affect the due performance by the Issuer of its obligations under the Issuer Documents and the Bonds have been duly obtained, except for such approvals, consents and orders as may be required under the Blue Sky or securities laws of any jurisdiction in connection with the offering and sale of the Bonds;

(f) The Bonds and the Bond Order conform to the descriptions thereof contained in the Official Statement under the caption "THE BONDS"; the proceeds of the

sale of the Bonds will be applied generally as described in the Official Statement under the captions “PLAN OF FINANCING”; and the Continuing Disclosure Undertaking conforms to the description thereof contained in the Official Statement under the caption “CONTINUING DISCLOSURE OF INFORMATION”;

(g) Except as disclosed in the Official Statement under the caption “CONTINUING DISCLOSURE OF INFORMATION – Compliance with Prior Undertakings”, during the last five years the Issuer has complied in all material respects with its previous continuing disclosure undertakings made by it in accordance with the Rule;

(h) Except as disclosed in the Official Statement, there is no litigation, action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending or, to the best knowledge of the Issuer after due inquiry, threatened against the Issuer, affecting the existence of the Issuer or the titles of its officers to their respective offices, or affecting or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or the levy and collection of taxes pledged to the payment of principal of and interest on the Bonds pursuant to the Bond Order or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents, or contesting the exclusion from gross income of interest on the Bonds for federal income tax purposes, or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto, or contesting the powers of the Issuer or any authority for the issuance of the Bonds, the adoption of the Order or the execution and delivery of the Issuer Documents, nor, to the best knowledge of the Issuer, is there any basis therefor, wherein an unfavorable decision, ruling or finding would materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

(i) As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that for all purposes of this Agreement including, without limitation, for purposes of subparagraphs (i), (j) and (k), and any certificate delivered by the Issuer in accordance herewith, the Issuer makes no representations with respect to the descriptions in the Preliminary Official Statement or the Official Statement of DTC, or its book-entry-only system, or the information relating to the Bond Insurer;

(j) During the period beginning when the Official Statement is delivered to the Underwriter pursuant to paragraph (a) of Section 4 of this Agreement and (unless the Official Statement is amended or supplemented pursuant to paragraph (d) of Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(k) If the Official Statement is supplemented or amended pursuant to paragraph (d) of Section 4 of this Agreement, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended pursuant to such paragraph) at all times subsequent thereto during the period up to and including the twenty-fifth (25th) day subsequent to the “end of the underwriting period,” the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading;

(l) The Issuer will apply, or cause to be applied, the proceeds from the sale of the Bonds as provided in and subject to all of the terms and provisions of the Bond Order and not to take or omit to take any action which action or omission will adversely affect the exclusion from gross income for federal income tax purposes of the interest on the Bonds;

(m) The Issuer will furnish such information and execute such instruments and take such action in cooperation with the Underwriter as the Underwriter may reasonably request (1) to (i) qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions in the United States as the Underwriter may designate and (ii) determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions and (2) to continue such qualifications in effect so long as required for the distribution of the Bonds (provided, however, that the Issuer will not be required to qualify as a foreign corporation or to file any consents to service of process under the laws of any jurisdiction) and will advise the Underwriter immediately of receipt by the Issuer of any notification with respect to the suspension of the qualification of the Bonds for sale in any jurisdiction or the initiation or threat of any proceeding for that purpose;

(n) The financial statements of, and other financial information regarding, the Issuer in the Official Statement fairly present the financial position, results of operation and condition of the Issuer as of the dates and for the periods therein set forth. The financial statements of the Issuer have been prepared in accordance with generally accepted accounting principles consistently applied, and except as noted in the Official Statement, the other historical financial information set forth in the Official Statement has been presented on a basis consistent with that of the Issuer’s audited financial statements included in the Official Statement. Prior to the Closing, the Issuer will not take any action within or under its control that will cause any adverse change of a material nature in such financial position, results of operations or condition, financial or otherwise, of the Issuer;

(o) Except as disclosed in the Official Statement, the Issuer is not a party to any litigation or other proceeding pending or, to its knowledge, threatened which, if decided adversely to the Issuer, would have a materially adverse effect on the financial condition or operation of the Issuer;

(p) Prior to the Closing the Issuer will not offer or issue any bonds, notes or other obligations for borrowed money or incur any material liabilities, direct or contingent, payable from or secured by any of the ad valorem taxes, revenues or assets which will

secure the Bonds, except as may be incurred in the ordinary course of business, without the prior approval of the Underwriter, which approval shall not be unreasonably withheld;

(q) Any certificate, signed by any official of the Issuer authorized to do so in connection with the transactions described in this Agreement, shall be deemed a representation and warranty by the Issuer to the Underwriter as to the statements made therein; and

(r) The Issuer covenants that between the date hereof and the date of Closing, it will take no actions which will cause the representations and warranties made in this Section to be untrue in any material aspect as of the date of Closing.

By delivering the Official Statement to the Underwriter, the Issuer shall be deemed to have reaffirmed, with respect to such Official Statement, the representations, warranties and covenants set forth above with respect to the Preliminary Official Statement.

6. Closing.

(a) At 10:00 a.m. Central Time, on September 30, 2020, or at such other time and date as shall have been mutually agreed upon by the Issuer and the Underwriter (the “*Closing*”), the Issuer will, subject to the terms and conditions hereof, deliver the Bonds to the Underwriter, duly executed and authenticated, together with the other documents hereinafter mentioned, and the Underwriter will, subject to the terms and conditions hereof, accept such delivery and pay the purchase price of the Bonds, as set forth in Section 1 of this Agreement in immediately available funds by wire transfer to the account of the Issuer as indicated by Wells Fargo Bank, N.A., Dallas, Texas (the “*Paying Agent/Registrar*”). Payment for the Bonds as aforesaid shall be made at the offices of the Paying Agent/Registrar or such other place as shall have been mutually agreed upon by the Issuer and the Underwriter.

(b) Delivery of the Bonds in definitive form, utilizing the book entry, shall be made through DTC, or at the office of the Paying Agent/Registrar acting on behalf of DTC. The Bonds shall be delivered in definitive fully registered form, bearing CUSIP numbers without coupons, with one Bond for each maturity of the Bonds, registered in the name of Cede & Co., all as provided in the Bond Order, and shall be made available at the offices of the DTC (or if Bonds are to be held in safekeeping for the DTC by the Paying Agent/Registrar pursuant to DTC’s FAST System, at the office of the Paying Agent/Registrar) to the Underwriter at least one (1) business day before the date of the Closing for the purposes of inspection.

7. Closing Conditions. The Underwriter has entered into this Agreement in reliance upon the representations, warranties and agreements of the Issuer contained herein, and in reliance upon the representations, warranties and agreements to be contained in the documents and instruments to be delivered at the Closing and upon the performance by the Issuer of its obligations hereunder, both as of the date hereof and as of the date of the Closing. Accordingly, the Underwriter’s obligations under this Agreement to purchase, to accept delivery of and to pay for the Bonds shall be conditioned upon the performance by the Issuer of its obligations to be

performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following additional conditions, including the delivery by the Issuer of such documents as are enumerated herein, in form and substance reasonably satisfactory to the Underwriter unless waived by the Underwriter:

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

(b) The Issuer shall have performed and complied with all agreements and conditions required by this Agreement to be performed or complied with by it prior to or at the Closing;

(c) At the time of the Closing, (i) the Issuer Documents and the Bonds shall be in full force and effect in the form heretofore approved by the Underwriter and shall not have been amended, modified or supplemented, and the Official Statement shall not have been supplemented or amended, except in any such case as may have been agreed to by the Underwriter; and (ii) the net proceeds of the sale of the Bonds and any funds to be provided by the Issuer shall be deposited and applied as described in the Official Statement and in the Bond Order and (iii) all actions of the Issuer required to be taken by the Issuer shall be performed in order for McCall, Parkhurst & Horton L.L.P., Austin, Texas (“*Bond Counsel*”) to deliver the opinions referred to hereafter;

(d) At the time of the Closing, all official action of the Issuer relating to the Bonds and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented, except as may have been agreed to by the Underwriter;

(e) At or prior to the Closing, the Bond Order shall have been duly executed and delivered by the Issuer and the Issuer shall have duly executed and delivered and the Paying Agent/Registrar shall have duly authenticated the definitive Bonds;

(f) At the time of the Closing, there shall not have occurred any change or any development involving a prospective change in the condition, financial or otherwise, or in the revenues or operations of the Issuer, from that set forth in the Official Statement that in the judgment of the Underwriter, is material and adverse and that makes it, in the judgment of the Underwriter, impracticable to market the Bonds on the terms and in the manner described in the Official Statement;

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

(h) At or prior to closing, the municipal bond insurance policy shall have been duly executed, issued and delivered by the Bond Insurer.

(i) All steps to be taken and all instruments and other documents to be executed, and all other legal matters in connection with the transactions described in this Agreement shall be reasonably satisfactory in legal form and effect to the Underwriter;

(j) At or prior to the Closing, the Underwriter or counsel to the Underwriter shall have received copies of each of the following documents:

(1) The Official Statement, and each supplement or amendment thereto, if any, as may have been agreed to by the Underwriter in (i) a “designated electronic format” that meets the requirements of Rule G-32 and (ii) a printed format;

(2) The Bond Order (including the Pricing Certificate), having been duly adopted by the Issuer and certified as being in full force and effect, with such supplements or amendments as may have been agreed to by the Underwriter;

(3) An executed copy of the Escrow Agreement, having been duly adopted by the Issuer, with such supplements or amendments as may have been agreed to by the Underwriter.

(4) The undertaking of the Issuer (which may be included in the Bond Order) which satisfies the requirements of Section (b)(5)(i) of the Rule (the “*Continuing Disclosure Undertaking*”);

(5) An approving opinion of Bond Counsel with respect to enforceability of the Bonds and the excludability of interest on the Bonds from gross income for federal tax purposes to the effect described in the Official Statement;

(6) A supplemental opinion of Bond Counsel addressed to the Issuer and the Underwriter, substantially to the effect that:

(A) the Bond Order has been duly adopted and is in full force and effect; and

(B) Bond Counsel has reviewed the information contained in the Official Statement under the captions “PLAN OF FINANCING – Escrow Agreement,” “THE BONDS (except for the subcaption “Book-Entry-Only System”), “LEGAL MATTERS,” “TAX MATTERS,” and “CONTINUING DISCLOSURE OF INFORMATION” (except for the subsection “Compliance With Prior Undertakings”) and Bond Counsel is of the opinion that such information fairly summarizes the procedures, laws and documents referred to therein;

(7) An opinion, dated the date of the Closing and addressed to the Underwriter, of counsel for the Underwriter, to the effect that:

(A) the Bonds are exempted securities that do not require registration under the 1933 Act and the Trust Indenture Act and it is not necessary, in connection with the offering and sale of the Bonds to register any securities under the 1933 Act and the Bond Order need not be qualified under the Trust Indenture Act; and

(B) based upon their participation in the preparation of the Official Statement as counsel for the Underwriter and their participation at conferences at which the Official Statement was discussed, but without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, such counsel has no reason to believe that the Official Statement contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except for any financial, forecast, technical and statistical statements and data included in the Official Statement, the information regarding DTC and its book-entry system and the information regarding the Bond Insurer, as to which no view need be expressed, as to which no view need be expressed);

(8) A letter of representation from the Engineer (as defined in the Official Statement) for the Issuer, to the effect that (A) the information contained in the Official Statement relating to the physical characteristics of the Issuer and to the Issuer's water supply and distribution system and sanitary sewer system does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and (B) such firm consents to the description of such firm in the Official Statement as an expert in the field of civil engineering;

(9) A letter from the Tax Assessor/Collector (as defined in the Official Statement) of the Issuer, to the effect that (A) the information contained in the Official Statement with respect to assessed valuations of taxable property in the Issuer, the top taxpayers in the Issuer, and the collection of Issuer taxes, as shown by the Issuer's tax records, does not contain any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they are made, not misleading, and (B) such person consents to the description of such person in the Official Statement as an expert in the field of tax assessing and collecting;

(10) A letter from the certified public accountants whose report is included as an appendix to the Official Statement to the effect that (A) they are independent certified public accountants; (B) they furnished the Issuer with their opinion on the financial statements of the Issuer contained in such appendix; and (C) they consent to the reproduction of such opinion and financial statements in the

Official Statement and to the description of such firm therein as experts in the field of auditing and accounting;

(11) A certificate, dated the date of Closing, signed by an appropriate official of the Issuer to the effect that (i) all official action of the Issuer relating to the Bonds, the Issuer Documents and the Official Statement have been duly adopted by the Issuer, are in full force and effect, and have not been amended, modified, supplemented or repealed; (ii) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (iii) no litigation or proceeding against it is pending or, to his or her knowledge, threatened in any court or administrative body, nor is there a basis for litigation, which would (a) contest the right of the officials of the Issuer to hold and exercise their respective positions, (b) contest the due organization and valid existence of the Issuer, (c) contest the validity, due authorization and execution of the Bonds, the Issuer Documents or (d) attempt to limit, enjoin or otherwise prevent the Issuer from functioning and collecting taxes or revenues, including payments on the Bonds, pursuant to the Bond Order, and other income or the levy or collection of the taxes or revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof; (iv) to the best of his or her knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein, in light of the circumstances under which made, not misleading in any material respect as of the time of Closing, and the information contained in the Official Statement is correct in all material respects and, as of the date of the Official Statement did not, and as of the date of the Closing does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading; and (v) there has not been any material adverse change in the financial condition or operations of the Issuer since September 30, 2019, the latest date as of which audited financial information is available;

(12) A certificate of the Issuer in form and substance satisfactory to Bond Counsel and counsel to the Underwriter (a) setting forth the facts, estimates and circumstances in existence on the date of the Closing, which establish that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended (the “Code”), and any applicable regulations (whether final, temporary or proposed), issued pursuant to the Code, and (b) certifying that to the best of the knowledge and belief of the Issuer there are no other facts, estimates or circumstances that would materially change the conclusions, representations and expectations contained in such certificate;

(13) An executed (but unfiled) copy of IRS Form 8038G with respect to the Bonds, as required by section 149(e) of the Internal Revenue Code of 1986, as amended;

(14) The approving opinion of the Attorney General of the State of Texas and the registration certificate of the Comptroller of Public Accounts of the State of Texas in respect of the Bonds;

(15) A copy of the instruments authorizing issuance of the Refunded Bonds;

(16) Any other certificates and opinions required by the Bond Order for the issuance thereunder of the Bonds;

(17) A copy of a special report prepared by Robert Thomas CPA, LLC (the "*Verification Agent*"), relating to the Refunded Bonds, addressed to the Issuer, Bond Counsel and the Underwriter, verifying (i) the arithmetical computations of the adequacy of the maturing principal and interest on the escrowed Securities, if any, and uninvested cash on hand under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Bonds, and (ii) the computation of the yield with respect to such Securities and the Bonds;

(18) Evidence satisfactory to the Underwriter that the moneys and escrowed Securities identified in the special report of the Verification Agent sufficient to effectuate the refunding of the Refunded Bonds have been or will be received and that such moneys and escrowed Securities have been or will be deposited in an escrow fund under the Escrow Agreement;

(19) Evidence satisfactory to the Underwriter that the Bonds have been rated "AA" (Stable) by S&P Global Ratings ("*S&P*") based on the municipal bond insurance policy issued by the Bond Insurer, and "AA-" by S&P without regard to credit enhancement and that all such ratings are in effect as of the date of Closing;

(20) A copy of the municipal bond insurance policy together with an opinion of counsel to the Bond Insurer in form and substance satisfactory to the Underwriter and counsel to the Underwriter;

(21) A certificate of the Bond Insurer with respect to the accuracy of the statements contained in the Official Statement regarding the municipal bond insurance policy and the Bond Insurer and the due authorization, execution, issuance and delivery of the municipal bond insurance policy; and

(22) Such additional legal opinions, certificates, instruments and other documents as the Underwriter or counsel to the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the date of the Closing, of the Issuer's representations and warranties contained herein and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Issuer on or prior to the date of the Closing of all the respective agreements then to be performed and conditions then to be satisfied by the Issuer.

All of the opinions, letters, certificates, instruments and other documents mentioned above or elsewhere in this Agreement shall be deemed to be in compliance with the provisions hereof if, but only if, they are in form and substance satisfactory to the Underwriter.

If the Issuer shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds contained in this Agreement, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under any further obligation hereunder, except that the respective obligations of the Issuer and the Underwriter set forth in Sections 5 and 9 hereof shall continue in full force and effect.

8. Termination. The Underwriter shall have the right to cancel their obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) Legislation shall be enacted by or introduced in the Congress or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or favorably reported for passage to either Chamber of the Congress by any committee of such Chamber to which such legislation has been referred for consideration, a decision by a court of the United States or of the State or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds, of the interest on the Bonds as described in the Official Statement;

(b) Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree, or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the 1933 Act, or that the Bond Order is not exempt from qualification under or other requirements of the Trust Indenture Act, or that the issuance, offering, or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) Any state blue sky or securities commission or other governmental agency or body in any state in which more than 15% of the Bonds have been offered and sold shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) A general suspension of trading in securities on the New York Stock Exchange, the establishment of minimum prices on such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so or a material disruption in securities settlement, payment or clearance services in the United States shall have occurred;

(e) The New York Stock Exchange or other national securities exchange or any governmental authority shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital of, the Underwriter;

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

(g) Any event occurring, or information becoming known which, in the reasonable judgment of the Underwriter, makes untrue in any material respect any material statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) There shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the Issuer, except for changes which the Official Statement discloses are expected to occur;

(i) There shall have occurred (whether or not foreseeable) any (a) new material outbreak of hostilities (including, without limitation, an act of terrorism) or (b) new material other national or international calamity or crisis including, but not limited to, an escalation of hostilities that existed prior to the date hereof, or (c) material financial crisis or adverse change in the financial or economic conditions affecting the United States government or the securities markets in the United States the effect of which, in any case described in clauses (a), (b), or (c), is, in the reasonable judgment of the Underwriter, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in this Agreement and the Official Statement;

(j) Any fact or event shall exist or have existed that, in the Underwriter's reasonable judgment, requires or has required an amendment of or supplement to the Official Statement;

(k) There shall have occurred any downgrading or published negative credit watch or similar published information from a rating agency that at the date of this Agreement has published a rating (or has been asked to furnish a rating on the Bonds) on any of the Issuer's debt obligations that are secured in a like manner as the Bonds, or on the Bond Insurer, which action reflects a negative change in the ratings accorded any such obligations of the Issuer (including any rating to be accorded the Bonds);

(l) The purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

(m) A decision by a court of the United States shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the United States Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as described in this Agreement or the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing date, including 1933 Act, the Securities Exchange Act of 1934 and the Trust Indenture Act; or

(n) If any portion of the Refunded Bonds is to be defeased with an escrow that is not fully funded by uninvested cash, the Issuer is unable to obtain Securities for such escrow on the date of Closing that, when combined with the remaining cash proceeds of the Bonds and other lawfully available funds of the Issuer, if any, are sufficient to pay the Refunded Bonds as and when they become due.

With respect to the condition described in subparagraphs (e) and (l) above, the Underwriter is not aware of any current, pending or proposed law or government inquiry or investigation as of the date of execution of this Agreement which would permit the Underwriter to invoke its termination rights thereunder.

9. Expenses.

(a) The Underwriter shall be under no obligation to pay, and the Issuer shall pay all expenses incident to the performance of the Issuer's obligations hereunder, including, but not limited to (i) the cost of preparation and printing of the Bonds, Preliminary Official Statement, Official Statement and any amendment or supplement thereto, (ii) the fees and disbursements of Bond Counsel and other counsel retained by the Issuer, if any; (iii) the fees and disbursements of the Financial Advisor; (iv) the fees and disbursements of the Paying Agent/Registrar, the Escrow Agent and the Verification Agent; (v) the fees and disbursements of engineers, accountants, and other experts, consultants or advisers retained by the Issuer, if any. The Issuer shall also pay for any expenses (included in the expense component of the Underwriter's discount) mutually agreed by the Issuer and the Underwriter to be reasonably considered expenses of the Issuer and are incurred by the Underwriter which are incidental to implementing this Agreement and the issuance of the Bonds and any other miscellaneous closing costs. The Issuer shall

pay for any expenses (included in the expense component of the Underwriter's discount) reasonably incurred by the Underwriter on behalf of the Issuer in connection with the marketing, issuance and delivery of the Bonds.

(b) The Issuer acknowledges that the Underwriter will pay from the underwriter's expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

(c) Except as provided for above, the Underwriter shall pay (i) the cost of preparation and printing of this Agreement, the Blue Sky Survey and Legal Investment Memorandum, if any; (ii) all advertising expenses in connection with the public offering of the Bonds; and (iii) all other expenses incurred by them in connection with the public offering of the Bonds. Certain payments may be in the form of inclusion of such expenses in the expense component of the Underwriter's discount.

(d) The Issuer acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

10. Notices. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing or via facsimile at McCall, Parkhurst & Horton L.L.P., at the address listed on the first page hereof; and, any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to BOK Financial Securities, Inc., 333 West Campbell Road, Suite 350, Richardson, Texas 75080, Attention: Alison M. Long.

11. Parties in Interest. This Agreement as heretofore specified shall constitute the entire agreement between us and is made solely for the benefit of the Issuer and the Underwriter (including successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. This Agreement may not be assigned by the Issuer. All of the Issuer's representations, warranties and agreements contained in this Agreement shall remain operative and in full force and effect, regardless of (i) any investigations made by or on behalf of any of the Underwriter; (ii) delivery of and payment for the Bonds pursuant to this Agreement; and (iii) any termination of this Agreement.

12. Effectiveness. This Agreement shall become effective upon the acceptance hereof by the Issuer and shall be valid and enforceable at the time of such acceptance.

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

14. Severability. If any provision of this Agreement shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any Constitution, statute, rule of public policy, or any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative or unenforceable in any other

case or circumstance, or of rendering any other provision or provisions of this Agreement invalid, inoperative or unenforceable to any extent whatsoever.

15. Business Day. For purposes of this Agreement, “business day” means any day on which the New York Stock Exchange is open for trading.

16. Section Headings. Section headings have been inserted in this Agreement as a matter of convenience of reference only, and it is agreed that such section headings are not a part of this Agreement and will not be used in the interpretation of any provisions of this Agreement.

17. Counterparts. This Agreement may be executed in several counterparts each of which shall be regarded as an original (with the same effect as if the signatures thereto and hereto were upon the same document) and all of which shall constitute one and the same document.

18. No Personal Liability. Neither the Board, nor any officer, agent, or employee of the Issuer, shall be charged personally by the Underwriter with any liability, or be held liable to the Underwriter under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

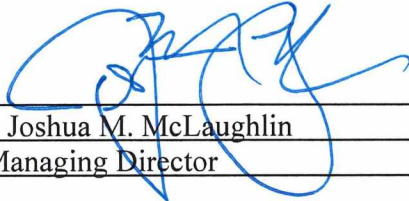
19. Entire Agreement. This Agreement represents the entire agreement between the Issuer and the Underwriter with respect to the preparation of the Preliminary Official Statement and the Official Statement, the conduct of the offering, and the purchase and sale of the Bonds.

[signature page follows]

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between the Issuer and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

Respectfully submitted,

BOK FINANCIAL SECURITIES, INC.

By: 
Name: Joshua M. McLaughlin
Title: Managing Director

Accepted at _____ a.m/p.m. CDT this _____ day of _____, 2020.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

By: _____
Authorized Representative

Schedule I – Schedule of Terms
Exhibit A – Form of Issue Price Certificate

Brushy Creek Municipal Utility District
Unlimited Tax Refunding Bonds, Series 2020A

If the Issuer agrees with the foregoing, please sign the enclosed counterpart of this Agreement and return it to the Underwriter. This Agreement shall become a binding agreement between the Issuer and the Underwriter when at least the counterpart of this letter shall have been signed by or on behalf of each of the parties hereto.

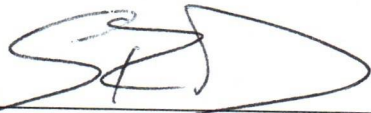
Respectfully submitted,

BOKF FINANCIAL SECURITIES, INC.

By: _____
Name: _____
Title: _____

Accepted at _____ a.m/p.m. CDT this _____ day of _____, 2020.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

By:  _____
Authorized Representative

Schedule I – Schedule of Terms
Exhibit A – Form of Issue Price Certificate

Brushy Creek Municipal Utility District
Unlimited Tax Refunding Bonds, Series 2020A

Schedule I

\$5,600,000

**Brushy Creek Municipal Utility District
Unlimited Tax Refunding Bonds, Series 2020A**

<u>Maturity Date (6/1)^(a)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Yield^(b)</u>	<u>Price</u>
2024	\$615,000	2.000%	0.640%	104.924
2025	1,550,000	2.000	0.740	105.772
* * *	* * *	* * *	* * *	
2027	1,685,000	4.000	1.090	118.669
2028	1,750,000	3.000	1.250	112.759

(a) The Bonds are not subject to optional redemption prior to state maturity.

(b) The initial reoffering prices or yields of the Bonds are furnished by the Underwriter and represent the initial offering prices or yields to the public, which may be changed by the Underwriter at any time.

Exhibit A

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of BOK Financial Securities, Inc. (“Purchaser”), with respect to the Unlimited Tax Refunding Bonds, Series 2020A issued by the Brushy Creek Municipal Utility District (“Issuer”) in the principal amount of \$5,600,000 (“Bonds”), hereby certifies, based on its records and information, as follows:

(a) Other than the Bonds maturing in _____ (the “Hold-the-Price Maturities”), the first price at which at least ten percent (“Substantial Amount”) of the principal amount of each maturity of the Bonds having the same credit and payment terms (a “Maturity”) was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the “Public”) is set forth in the final Official Statement relating to the Bonds.

(b) On or before the first day on which the Agreement is entered into (the “Sale Date”), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices (the “Initial Offering Prices”), as listed in the final Official Statement relating to the Bonds.

(c) As set forth in the Bond Purchase Agreement, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the respective Initial Offering Price for such Hold-the-Price Maturity until a date that is the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells a Substantial Amount of a Hold-the-Price Maturity to the Public at a price not exceeding the Initial Offering Price for such Hold-the-Price Maturity.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

[Signature Page Follows]

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Except as expressly set forth above, the certifications set forth herein may not be relied upon or used by any third party or for any other purpose. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this _____, 2020

BOK Financial Securities, Inc., as Underwriter

By: _____

Name: _____

Execution Page Issue Price Certificate
Brushy Creek Municipal Utility District
Unlimited Tax Refunding Bonds, Series 2020A

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

SCHEDULE B
SCHEDULE OF SUBSTANTIAL AMOUNT MATURITIES
(Attached)

PRICING CERTIFICATE

I, the undersigned General Manager of the Brushy Creek Municipal Utility District (the "District") acting as the Pricing Officer pursuant to the authority granted to me by an order adopted by the Board of Directors of the District on August 13, 2020 (the "Bond Order") relating to the issuance of the Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds") hereby find, determine and commit on behalf of the District to sell and deliver the Bonds on the following terms:

1. Capitalized terms not otherwise defined herein have the meaning assigned in the Bond Order.

2. The Bonds are hereby sold and shall be delivered to BOK Financial Securities, Inc. (the "Underwriter") pursuant to the terms of the Bond Purchase Agreement, dated September 2, 2020, between the District and the Underwriter (the "Purchase Agreement"), for a price as set forth in the Purchase Agreement, according to the following terms:

A. The aggregate original principal amount of the Bonds shall be \$5,600,000.

B. The Bonds will be issued as serial Current Interest Bonds dated September 1, 2020, shall be numbered from R-1 upwards (except that the Initial Bond shall be numbered T-1) and shall mature and bear interest from their dated date as follows:

\$5,600,000

Maturity Date (June 1)	Principal Amount	Interest Rate
2024	\$ 615,000	2.000%
2025	\$1,550,000	2.000%
2027	\$1,685,000	4.000%
2028	\$1,750,000	3.000%

C. Interest on the Bonds shall be payable June 1 and December 1 of each year, commencing December 1, 2020. The record date for the Bonds will be the fifteenth day of the month preceding an Interest Payment Date whether or not such dates are Business Days.

D. The Bonds are not subject to redemption prior to maturity.

E. The Bonds shall be initially registered in the name of Cede & Co.

F. The Bonds are being insured by Assured Guaranty Municipal Corp. The terms and provisions set forth in the Commitment Letter attached hereto as "Exhibit D" are approved and are read as part of the Bond Order.

3. The Bonds are in amounts sufficient to redeem and refund the Refunded Bonds set forth in "Exhibit A" hereto and to pay the costs of issuing the Bonds.

4. The issuance of the Bonds is in the best interest of the District and produces a net present value debt service savings of \$557,565.15 (9.323832% of the Refunded Bonds), net of any District contribution to the refunding, and a gross debt service savings of \$596,171.67.

5. The price to be paid by the Underwriter for the Bonds is not less than 90% of the aggregate original principal amount thereof plus accrued interest to the date of delivery of the Bonds and the net present value debt service savings which results in at least a 3.0% present value debt service savings of the principal amount of the Refunded Bonds net of any District contribution. None of the Bonds bear interest at an interest rate greater than the maximum authorized by law. Additionally, all of the requirements of Sections 3.01 and 3.02 of the Bond Order have been met.

6. Pursuant to the election held within the District on November 6, 2001, the District has voted authority to issue refunding bonds pursuant to the election proposition in an amount not to exceed one and one-half times the amount of bonds or other obligations issued, which equals \$58,650,000 (assuming issuance of the entire voted authorization). See Exhibit "B" attached hereto for a breakdown of remaining new money and refunding authorization.

7. In accordance with Article 19 of the Bond Order, the District shall provide annually to the MSRB financial information and operating data with respect to the District of the general type included in the Official Statement under the heading "Containing Disclosure of Information and Annual Reports."

8. In accordance with Section 15.02 of the Bond Order, the Preliminary Official Statement, dated August 27, 2020, previously prepared and distributed in connection with the pricing of the Bonds is hereby approved, and the preparation and distribution of the final Official Statement in reoffering of the Bonds by the Underwriter is hereby approved.

9. Pursuant to the order authorizing the issuance of the Refunded Bonds and the Paying Agent/Registrar Agreement between the District and Wells Fargo Bank, N.A., dated February 1, 2013, certain of said Refunded Bonds have been called for redemption by the Brushy Creek Municipal Utility District as set forth in the Bond Order authorizing the Bonds. Wells Fargo Bank, N.A. is hereby authorized and directed to take such steps as may be necessary to redeem the Refunded Bonds as provided in the order authorizing their issuance.

10. In consultation with, and reliance upon the advice of the financial advisor for the District, I determined that using a negotiated sale was in the best interest of the District and further hereby find that the terms of sale are the most advantageous reasonably available on the date and time of the pricing of the Bonds given the then existing market conditions and the stated terms of sale on such date and time.

11. The Bonds shall be in the form as set forth in Exhibit "C" attached hereto.

WITNESS MY HAND this 2nd day of September, 2020.

**BRUSHY CREEK MUNICIPAL UTILITY
DISTRICT**

By: _____



Pricing Officer

[Signature Page for Pricing Certificate]

EXHIBIT "A"

**NOTICE OF DEFEASANCE/REDEMPTION
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

Notice is hereby given that the following obligations issued by Brushy Creek Municipal Utility District (the "District") have been called for redemption prior to their scheduled maturities, at a price of par and accrued interest to the date of redemption, to-wit:

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2013, outstanding obligations maturing on June 1 in each of the years 2024, 2025 and 2027 through 2028 aggregating \$5,980,000 in principal amount.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>CUSIP*</u>
2024	\$ 730,000	3.000%	December 1, 2020	117464PP6
2025	\$1,635,000	3.000%	December 1, 2020	117464PQ4
2027	\$1,775,000	3.500%	December 1, 2020	117464PR2
2028	\$1,840,000	3.500%	December 1, 2020	117464PS0

*The CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. The District and Paying Agent shall not be responsible for the selection or the correctness of the CUSIP numbers set forth herein or as printed on any Bond.

Due provision for the payment of the above-described obligations has been made with Wells Fargo Bank, N.A. (the "Bank"), the paying agent for said obligations, and said obligations shall be presented for payment either in person or by mail, at the following address:

First Class/Registered/Certified Mail

Wells Fargo Bank, N.A.
Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

By Overnight or Courier

Wells Fargo Bank, N.A.
Corporate Trust Operations
N9303-121
6th & Marquette Avenue
Minneapolis, MN 55479

By Hand

Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So.
12th Floor
Minneapolis, MN

Interest on the redeemed obligations shall cease to accrue thereon after their redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, as amended, payors making certain payments due on debt securities may be obligated to deduct and withhold a portion of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of this withholding tax, such payees should submit a certified taxpayer identification number when surrendering the Bonds for redemption.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

EXHIBIT B

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT VOTED AUTHORIZATION FROM THE NOVEMBER 6, 2001 ELECTION

Pursuant to the November 6, 2001 election (the "Election"), the voters of the District authorized the issuance of \$39,100,000 of unlimited tax new money bonds and \$58,650,000 in unlimited tax refunding bonds. The remaining voted authorization from the Election, after the issuance of the Bonds, is as follows:

Remaining Unlimited Tax New Money Authorization – \$2,100,000

Series	Par Amount Issued	New Money Authorization Remaining After Issuance
Unlimited Tax Bonds, Series 2003	\$27,500,000	\$11,600,000
Unlimited Tax Bonds, Series 2005	\$ 9,500,000	\$ 2,100,000

*Remaining Unlimited Tax Refunding Authorization – \$52,854,641.19**

Series	Par Amount Issued	Par Amount of Bonds Refunded	Amount in Excess of the Par	Amount of Premium Applied to Refunding Authorization	Refunding Authorization Remaining After Issuance*
Unlimited Tax Refunding Bonds, Series 2007	\$7,840,000 ^a	\$7,440,000	\$400,000	\$-0-	\$55,100,000.00*
Unlimited Tax Refunding Bonds, Series 2009	\$7,975,000 ^b	\$8,145,000	\$-0-	\$288,777.60	\$54,811,222.40
Unlimited Tax Refunding Bonds, Series 2010	\$17,190,000 ^c	\$17,050,000	\$140,000	\$144,274.35	\$54,526,948.05
Unlimited Tax Refunding Bonds, Series 2011	\$2,085,000	\$2,025,000	\$60,000	\$-0-	\$54,466,948.05
Unlimited Tax Refunding Bonds, Series 2012	\$9,260,000 ^d	\$9,140,000	\$120,000	\$650,339.89	\$53,696,608.16
Unlimited Tax Refunding Bonds, Series 2013	\$6,125,000 ^e	\$5,950,000	\$175,000	\$309,553.95	\$53,212,054.21
Unlimited Tax Refunding Bonds, Series 2019	\$6,605,000 ^f	\$6,810,000	\$-0-	\$357,413.02	\$52,854,641.19
Unlimited Tax Refunding Bonds, Series 2020	\$8,140,000 ^g	\$8,425,000	\$-0-	\$534,877.30	\$52,319,763.89
Unlimited Tax Refunding Bonds, Series 2020A	\$5,600,000 ^h	\$5,980,000	\$-0-	\$615,130.00	\$51,704,633.89

*Assumes \$55,500,000 refunding authorization based on bonds issued pursuant to the election of \$37,000,000. Once the District issues the remaining \$2,100,000 in new money bonds, total authorization equals \$58,650,000.

^a The Unlimited Tax Refunding Bonds, Series 2007 generated \$0 of net original issue premium.

^b The Unlimited Tax Refunding Bonds, Series 2009 generated \$448,277.60 of original issue premium. Of that amount, \$159,500 underwriter's discount was applied against premium and the remaining \$288,777.60 of original issue premium was applied to the Unlimited Tax Refunding Authorization.

^c The Unlimited Tax Refunding Bonds, Series 2010 generated \$402,124.35 of original issue premium. Of that amount, \$257,850 underwriter's discount was applied against premium and the remaining \$144,274.35 of original issue premium, together with the par to par difference, was applied to the Unlimited Tax Refunding Authorization.

^d The Unlimited Tax Refunding Bonds, Series 2012 generated \$712,016.00 of original issue premium. Of that amount, \$61,676.11 underwriter's discount was applied against premium and the remaining \$650,339.89 of original issue premium, together with the par to par difference, was applied to the Unlimited Tax Refunding Authorization.

^e The Unlimited Tax Refunding Bonds, Series 2013 generated \$363,128.95 of original issue premium. Of that amount, \$53,575.00 underwriter's discount was applied against premium and the remaining \$309,553.95 of original issue premium, together with the par to par difference, was applied to the Unlimited Tax Refunding Authorization.

^f The Unlimited Tax Refunding Bonds, Series 2019 generated \$408,548.30 of original issue premium. Of that amount, \$51,135.28 was applied to underwriter's discount and the remaining \$357,413.02 was applied to the Unlimited Tax Refunding Authorization.

^g The Unlimited Tax Refunding Bonds, Series 2020 generated \$592,973.30 of original issue premium. Of that amount, \$58,096.00 was applied to underwriter's discount and the remaining \$534,877.30 was applied to the Unlimited Tax Refunding Authorization.

^h In the process of Issuance. The Unlimited Tax Refunding Bonds, Series 2020A generated \$657,603.75 of original issue premium. Of that amount, \$42,473.75 was applied to underwriter's discount and the remaining \$615,130.00 was applied to the Unlimited Tax Refunding Authorization.

EXHIBIT "C"

FORM OF BOND

**UNITED STATES OF AMERICA
STATE OF TEXAS**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BOND
SERIES 2020A**

NO. R-

**PRINCIPAL
AMOUNT
\$[_____]**

INTEREST RATE DATE OF BONDS MATURITY DATE CUSIP NO.
September 1, 2020

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

ON THE MATURITY DATE SPECIFIED ABOVE, BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon calculated on the basis of a 360 day year of twelve 30 day months, from September 1, 2020 on December 1, 2020 and semiannually on each June 1 and December 1 thereafter (an "Interest Payment Date") to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

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 principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at Wells Fargo Bank, N.A., which is the "Registrar" or "Paying Agent/Registrar" for this Bond, at its designated office for

payment in Minneapolis, Minnesota. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Registrar by United States mail, first-class postage prepaid, on or before each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the close of business on the fifteenth calendar day of the month (whether or not a business day) preceding each such date whether or not a business day (the "Record Date") on the Register kept by the Registrar listing the names and addresses of the Registered Owners (the "Register"). In addition, interest may be paid by such other method, acceptable to the Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the District and the securities depository.

ANY ACCRUED INTEREST due at maturity of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Registrar, from the "Debt Service Fund" the creation of which is affirmed by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, or day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of September 1, 2020 and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of **\$5,600,000 FOR PURPOSES OF REFUNDING THE REFUNDED**

BONDS AND PAYING CERTAIN COSTS OF ISSUING THE BONDS. Terms used herein and not otherwise defined shall have the meanings given in the Bond Order.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the principal denomination in the case of the Bonds, of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Registrar shall not be required to make any such transfer, conversion or exchange of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or Interest Payment Date or (ii) within 45 calendar days prior to its redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

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

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

THE BONDS are payable from the proceeds of an ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order provides that the District reserves the right to consolidate with one or more conservation and reclamation

districts, to consolidate its waterworks and sewer systems with the systems of such districts, and to secure the Bonds and any other bonds of the District or such districts by a pledge of the net revenues of the consolidated system. The Bond Order further provides that the pledge of taxes, to the payment of the Bonds shall terminate at such time, if ever, as (i) money and/or defeasance obligations in an amount sufficient to defease the Bonds is deposited with or made available to the Registrar in accordance with the Bond Order or (ii) a city dissolves the District, and assumes the obligations of the District pursuant to existing Texas law.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, on taxable property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date with respect to the Bonds, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the operation and maintenance of the District's facilities, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owners of the Bonds. By acceptance of this Bond the Registered Owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties provided by the proceeds of the Bonds, is encumbered by any lien for the benefit of the Registered Owner of this Bond.

THE DISTRICT RESERVES THE RIGHT to issue additional bonds heretofore or hereafter duly authorized at elections held in the District payable from a lien on and pledge of taxes; bonds, notes and other obligations of inferior liens, and revenue bonds, notes and other obligations payable solely from revenues of the District or revenues to be received under contracts with other persons, including private corporations, municipalities and political subdivisions or from any other source. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund any bonds (including the Bonds) at or prior to their respective dates of maturity or redemption.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the Registered Owners of the Bonds may be modified with, in certain circumstances, the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the Registered Owners of all of the Bonds affected, no such modification shall (i) extend

the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Registrar.

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 all taxable property within the District and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice-President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**BRUSHY CREEK MUNICIPAL
UTILITY DISTRICT**

Secretary,
Board of Directors

President,
Board of Directors

(DISTRICT SEAL)

INSERTIONS FOR INITIAL BONDS

- (i) The Initial Current Interest Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Current Interest Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph of the Current Interest Bond shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED BELOW, Brushy Creek Municipal Utility District (the "District"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on June 1 in each of the years, in installments of the respective Maturity Amounts set forth in the following schedule:

Maturity Date (June 1)	Principal Amount	Interest Rate
---------------------------	---------------------	---------------

(Information from Pricing Certificate to be inserted)

The District promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from September 1, 2020 at the respective Interest Rate per annum specified above. Interest is payable on December 1, 2020 and semiannually on each June 1 and December 1 thereafter to the date of payment of the principal installment specified above; except, that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The Initial Current Interest Bond shall be numbered "T-1".

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 of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated: _____.

WELLS FARGO BANK, N.A.,
Minneapolis, Minnesota
Registrar

By _____
Authorized Representative

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on 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.

EXHIBIT "D"

COMMITMENT LETTER

[See Separate Tab of Transcript]



September 2, 2020

VIA E-MAIL

Ms. Shean Dalton
Brushy Creek Municipal Utility District, Texas
16318 Great Oaks Drive
Round Rock, Texas 78681

Re: Not to Exceed \$5,600,000 aggregate principal amount of Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas) Unlimited Tax Refunding Bonds, Series 2020A

Dear Ms. Dalton:

Enclosed please find Assured Guaranty Municipal Corp.'s ("AGM") commitment letter (the "Commitment") in respect of the above-referenced issue. Please return one fully executed original to me at the address indicated below. The signed Commitment, executed by an authorized officer, must be returned to me prior to any reference to AGM as insurer of the issue being made in marketing efforts in respect of the issue.

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

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

AGM will require, prior to closing, four hard copies of the final official statement. Also, please notify me of a confirmed closing date as soon as it becomes available.

My contact information is as follows:

Telephone: (212) 339-3548
Fax: (212) 857-0560
Email: AUdit-Adler@agltd.com

Assured Guaranty Municipal Corp.

1633 Broadway
New York, NY 10019

main 1 212 974 0100
fax 1 212 688 3101

info@assuredguaranty.com

www.assuredguaranty.com

Ms. Shean Dalton,
Brushy Creek Municipal Utility District, Texas

Page 2

Attached as a link to this e-mail is AGM's website, where the logo, statement of insurance, disclosure language, specimen policy, procedures for premium payment, form of opinion and form of disclosure certificate may be accessed and downloaded as needed.

Assuming the requirements of the Commitment have been met, AGM will deliver to Bond Counsel at the pre-closing, a copy of the municipal bond insurance policy of AGM, the executed disclosure, no default and tax certificate and the executed opinion of Counsel and other certificates needed in the transaction via email. The original municipal bond insurance policy will be sent to your attention via overnight mail to be held in escrow until the closing. Any inquiries regarding rating agency fees should be directed to the respective rating agencies. As a post-closing condition, AGM shall receive one original and two copies of the final closing transcript of proceedings. Such closing transcript may be in the form of either hard copies or three CD-ROMs.

AGM looks forward to working with you on this transaction.

Very truly yours,



Audrey Udit-Adler
Closing Coordinator

Enclosures

cc: Carol Polumbo, Esq.; McCall, Parkhurst & Horton L.L.P.
Mr. Travis Mantel; BOK Financial Securities, Inc.
Ms. Jan Bartholomew; Robert W. Baird & Co.

MUNICIPAL BOND INSURANCE COMMITMENT

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

THE MUNICIPAL BOND INSURANCE POLICY SHALL BE ISSUED IF THE FOLLOWING CONDITIONS ARE SATISFIED:

1. The transaction documents to be executed and delivered in connection with the issuance and sale of the Bonds shall not contain any untrue or misleading statement of a material fact and shall not fail to state a material fact necessary in order to make the information contained therein not misleading.
2. No event shall occur which would permit any underwriter or purchaser of the Bonds, otherwise required, not to be required to underwrite or purchase the Bonds on the date scheduled for the issuance and delivery thereof ("Closing Date").
3. On the date hereof and on the Closing Date, there shall have been no material adverse change in or affecting the Issuer and/or the Obligor, as applicable, or the Bonds (including, without limitation, the security for the Bonds or the proposed debt service schedule of the Bonds), any disclosure document relating to the Bonds (the "Official Statement"), the financing documents to be executed and delivered with respect to the Bonds, the legal opinions to be executed and delivered in connection with the issuance and sale of the Bonds, or any other information submitted to AGM with respect to the referenced transaction, or the Bonds, from that previously delivered or otherwise communicated to AGM.
4. The Bonds shall contain no reference to AGM, the Policy or the insurance evidenced thereby except as may be approved by AGM. BOND PROOFS SHALL HAVE BEEN APPROVED BY AGM PRIOR TO PRINTING. The Bonds shall bear a Statement of Insurance in the form provided by AGM.
5. AGM shall be provided with:
 - (a) Executed copies of all financing documents, the Official Statement and the various legal opinions delivered in connection with the issuance and sale of the Bonds (which shall be dated the Closing Date and which, except for the opinions of counsel relating to the adequacy of disclosure, shall be addressed to AGM or accompanied by a letter of such counsel permitting AGM to rely on such opinion as if such opinion were addressed to AGM), including, without limitation, the approving opinion of bond counsel. Each of the foregoing shall be in form and substance acceptable to AGM. Copies of all drafts of such documents prepared subsequent to the date of the Commitment (blacklined to reflect all revisions from previously reviewed drafts) shall be furnished to AGM for review and approval. Final drafts of such documents shall be provided to AGM at least three (3) business days prior to the issuance of the Policy, unless AGM shall agree to some shorter period.
 - (b) Evidence of wire transfer in federal funds of an amount equal to the insurance premium, unless alternative arrangements for the payment of such amount acceptable to AGM have been made prior to the delivery date of the Bonds.
 - (c) S&P Global and Moody's Investors Service Inc. will separately present bills for their respective fees relating to the Bonds. Payment of such bills should be made directly to such rating agency. Payment of the rating fee is not a condition to release of the Policy by AGM.

6. Promptly after the closing of the Bonds, AGM shall receive three completed sets of executed documents (one original and either (i) two photocopies (each unbound) or (ii) two compact discs).

7. The Official Statement shall contain the language provided by AGM and only such other references to AGM or otherwise as AGM shall supply or approve. AGM SHALL BE PROVIDED WITH FOUR PRINTED COPIES OF THE OFFICIAL STATEMENT.

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

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

TERM SHEET FOR MUNICIPAL BOND INSURANCE COMMITMENT

Issuer: Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas)

Principal Amount of Bonds Insured: Not to Exceed \$5,600,000

Name of Bonds Insured: Unlimited Tax Refunding Bonds, Series 2020A

Date of Commitment: September 2, 2020

Expiration Date: Friday, November 6, 2020*

Premium: \$11,446.94

Bond Counsel Opinion -- Language Requirements:

The approving opinion of Bond Counsel shall include language to the effect that the Bonds are a full faith and credit general obligation of the Issuer, the payment for which the Issuer is obligated to exercise its ad valorem taxing power, without limit as to rate or amount, upon all taxable property within the Issuer.

Additional Conditions: None

ASSURED GUARANTY MUNICIPAL CORP.



Authorized Officer

*To keep the Commitment in effect to the Expiration Date set forth above, AGM must receive a duplicate of this Exhibit A executed by an authorized officer by the earlier of the date on which the Official Statement containing disclosure language about AGM is circulated and ten days from the Date of Commitment.

The undersigned, an authorized officer of the Issuer, agrees that (i) if the Bonds are insured by a policy of municipal bond insurance, such insurance shall be provided by AGM in accordance with the terms of this Commitment; (ii) the Issuer has made its own independent investigation and decision as to whether to insure the payment when due of the principal of and interest on the Bonds and whether the Policy is appropriate or proper for it based upon its own judgment and upon advice from such legal and financial advisers as it has deemed necessary; (iii) AGM has not made, and therefore the Issuer is not relying on, any recommendation from AGM that the Issuer insure the Bonds or obtain the Policy; it being understood and agreed that communications from AGM (whether written or oral) referring to, containing information about or negotiating the terms and conditions of the Policy, any related insurance document or the documentation governing the Bonds do not constitute a recommendation to insure the Bonds or obtain the Policy; (iv) the Issuer acknowledges that AGM has not made any representation, warranty or undertaking, and has not given any assurance or guaranty, in each case, expressed or implied, concerning its future financial strength or the rating of AGM's financial strength by the rating agencies; (v) the Issuer acknowledges that the ratings of AGM reflect only the views of the rating agencies and an explanation of the significance of such ratings may be obtained only from the rating agencies; (vi) the Issuer understands that such ratings may not continue for any given time period and instead may change over time, including without limitation being placed under review for possible downgrade, revised downward, withdrawn entirely by the relevant rating agency if, in the judgment of such rating agency, circumstances so warrant, or withdrawn entirely by AGM in its sole discretion; (vii) the Issuer acknowledges that AGM undertakes no responsibility to bring to its attention, and shall have no liability for, the placement of a rating under review for possible downgrade or the downward revision or withdrawal of any rating obtained, and that any such review for possible downgrade, downward revision or withdrawal may have an adverse effect on the Bonds; and (viii) the Issuer acknowledges that AGM pays rating agencies to rate AGM's financial

strength, but that such payment is not in exchange for any specific rating or for a rating within any particular range. Notwithstanding anything to the contrary set forth herein, the provisions set forth under subparagraphs (ii) through (viii) above shall survive the expiration or termination of this Commitment.

BRUSHY CREEK MUNICIPAL UTILITY
DISTRICT, TEXAS



Authorized Officer

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

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

Confirmation of Amount to be Paid: **Upon determination of the final debt service schedule, fax such schedule to AGM**
Attention: Michael Curcio, Associate
Phone No.: 212-893-2769
Fax No.:

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

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank: The Bank of New York
ABA#: 021 000 018
Acct. Name: Assured Guaranty Municipal Corp.
Account No.: 8900297263
Transaction No.: 162261_C

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Audrey Udit-Adler, Closing Coordinator, (212) 339-3548.

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of September 30, 2020 (this "Agreement"), by and between the Brushy Creek Municipal Utility District (the "Issuer"), and Wells Fargo Bank, N.A., 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 Unlimited Tax Refunding Bonds, Series 2020A in the aggregate principal amount of \$5,600,000 (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon; and

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof on or about September 30, 2020; and

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

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 ONE **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, premium (if any), 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 "Bond Order" (hereinafter defined).

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 "Bond 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.

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

ARTICLE TWO
DEFINITIONS

Section 2.01. Definitions.

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

"Bank Office" means the principal corporate trust office of the Bank as indicated on the signature page hereof, except that the payment and registration duties of the Bank will be performed from the Bank's principal corporate trust office located in Dallas, Texas. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

"Bond Order" and "Order" means the order, ordinance or resolution of the governing body of the Issuer pursuant to which the Securities are issued, certified by the President and Secretary of the Board of Directors of the Issuer or any other officer of the Issuer and delivered to the Bank.

"Fiscal Year" means the fiscal year of the Issuer.

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

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by the President of the Board of Directors of the Issuer, any one or more of said officials, delivered to the Bank.

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

"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 Section 4.06 hereof and the Bond Order).

"Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the Bond 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 Bond 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 THREE
PAYING AGENT

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity or Redemption Date, to the Holder upon surrender of the Security to the Bank at the Bank 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 Bond Order. The Issuer agrees to transfer or cause to be transferred to the Bank by no later than 2:00 p.m. Central Time on the business day immediately preceding the payment dates, immediately available funds in the amounts sufficient to pay principal, premium (if any), and/or interest when due.

**ARTICLE FOUR
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 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 a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Paying Agent 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 (3) business days after the receipt of the Securities to be canceled 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. Certificates.

At any time when the Securities are not subject to a book-entry-only system of registration and transfer, 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 in writing 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.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a 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 Canceled Certificates.

The Bank will, at such intervals as it determines, cancel and destroy, pursuant to the Securities Exchange Act of 1934, all bonds in lieu of which or in exchange for which other Bonds have been issued, or which have been paid. The Paying Agent shall retain and destroy canceled and matured Bonds upon expiration of the appropriate retention period.

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

The Issuer hereby instructs the Bank, subject to the applicable provisions of the Bond Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

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.

**ARTICLE FIVE
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.

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 of the Issuer.

Notwithstanding any other provision contained herein, the Bank is acting solely as agent of the Issuer and does not assume any obligation or relationship with any Holder.

Section 5.02. Reliance on Documents, Etc.

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

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

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

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by 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 5.03. 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 5.04. May Hold Securities.

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

Section 5.05. Moneys Held by Bank.

The Bank shall deposit any moneys received from the Issuer into a trust account to be held in a fiduciary capacity for the payment of the Securities, with such moneys in the account that exceed the deposit insurance available to the Issuer by the Federal Deposit Insurance Corporation, to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for trust accounts until the principal and interest on such securities have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

Subject to the Unclaimed Property Law of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after the final maturity of the Security has become due and

payable will be paid by the Bank to the Issuer if the Issuer so elects, and the Holder of such Security shall hereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the Issuer does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

Section 5.06. Indemnification.

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

Section 5.07. Interpleader.

The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State Court located in the State of Texas and County where either the Bank Office or the administrative offices of the Issuer is 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 5.08. 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," effective August 1, 1987, which establishes requirements for securities to be eligible for such type 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.

Section 5.09. Reporting Requirements.

To the extent required by the Internal Revenue Code of 1986 and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto, the Bank shall report, or assure that a report is made to the Holder and the Internal Revenue Service, any amount of acquisition premium, interest paid on, original issue discount or adjusted basis of the Security.

ARTICLE SIX
MISCELLANEOUS PROVISIONS

Section 6.01. Amendment.

This Agreement may be amended only by an agreement in writing signed by both of the parties 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. 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, 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/Depository 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 hereinto to the contrary notwithstanding.

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 Bond 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 Bond Order, the Bond 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 sixty (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. 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 Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Governing Law.

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

Section 6.12. Anti-Boycott.

The Bank represents and warrants, for purposes of Chapter 2271 of the Texas Government Code, that at the time of execution and delivery of this Agreement, neither the Bank, nor any parent

company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, boycotts Israel or will boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycotts Israel" and "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13. Terrorist Organizations.

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

<https://comptroller.texas.gov/purchasing/docs/sudanlist.pdf>


<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>

<https://comptroller.texas.gov/purchasing/docs/ftolist.pdf>.

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

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

WELLS FARGO BANK, N.A.

By:  _____

Title: **Vice President** _____

Address:
Wells Fargo Bank, N.A.
600 S. 4th Street, 6th Floor
MAC N9300-060
Minneapolis, Minnesota 55415

**BRUSHY CREEK MUNICIPAL UTILITY
DISTRICT**

By: Donna B. Parker

Address:
16318 Great Oaks Drive
Round Rock, Texas 78681

SCHEDULE A

Paying Agent/Registrar Fee Schedule

Schedule of Fees

To provide registrar and paying agent services

Brushy Creek Municipal Utility District
 Unlimited Tax Refunding Bonds, Series 2020A

Account Acceptance Fee (per series)

\$1,000.00

A one-time fee for acting in the capacity of paying agent and registrar. This includes review of the paying agent and registrar agreement and other required documents, acceptance of the appointment, establishment of the registrar records and account records, authentication and delivery of bonds and coordination of closing. The acceptance fee is payable at the time of paying agent or registrar agreement execution.

Paying Agent Annual Administration Fee (per series)

\$1,000.00

Annual fee for ordinary administration services provided by the paying agent or registrar. This includes daily routine account management, maintenance of registered bondholder accounts, responding to bondholder inquiries, and processing debt service payments. The annual administration fees are payable in advance, with the first installment due at closing.

Out-of-Pocket Expenses

At cost

Out-of-pocket expenses will be billed at cost at the sole discretion of Wells Fargo.

These costs may include, but are not limited to, counsel fees and expenses, accountant's fees and expenses, DTC fees, UCC filing fees, wire transfer fees, and transaction fees to settle third party trades.

Extraordinary Services

Standard rate

The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time expense is incurred. The review of complex tax forms, including by way of example but not limited to IRS Form W-8IMY, shall be considered extraordinary services.

These services may include, but are not limited to, tax reporting, establishment and administration of trust accounts, express mail and messenger charges, travel expenses to attend closings or other meetings, tender agent services, changes to documents, interim bond calls, rate mode changes, conversions or de-conversions of the account records, default administration and the publication of redemption notices. This proposal is based on the assumption of a book entry only issuance closing at DTC. If the bonds are to be settled in an alternate form of issuance, we will provide an adjusted fee schedule.

Assumptions

This fee schedule is based upon the below assumptions which pertain to the responsibilities and risks involved in Wells Fargo undertaking the role of paying agent or registrar.

- Bond form: DTC / Book entry
- Number of series: One (1)
- Interest rate: Fixed
- Frequency of interest payments to holders: Semi-annually
- Frequency of principal payments to holders: Not more than annually
- Fees do not include cost of issuance / depository services
- Fees quoted assume all transaction account balances will be held invested in money market mutual funds currently available on Wells Fargo's sweep platform.
- Wells Fargo reserves the right in its sole discretion to impose a deposit sweep fee on the average balance in the account(s) over the preceding month. This balance will be calculated on interest bearing deposits and non-interest bearing deposits held with Wells Fargo Bank, N.A. subject to contractual arrangements.

Terms and Conditions

- The recipient acknowledges and agrees that this proposal does not commit or bind Wells Fargo to enter into a contract or any other business arrangement, and that acceptance of the appointment described in this proposal is expressly conditioned on all the following:
 - Compliance with the requirements of the USA Patriot Act of 2001, described below
 - Satisfactory completion of Wells Fargo's internal account acceptance procedures
 - Wells Fargo's review of all applicable governing documents and its confirmation that all terms and conditions pertaining to its role are satisfactory to it
 - Execution of the governing documents by all applicable parties
- Should this transaction fail to close or if Wells Fargo determines not to participate in the transaction, any acceptance fee and any legal fees and expenses shall be due and payable.
- Legal counsel fees and expenses, any acceptance fee and any first year annual administrative fee are payable at closing.
- Any annual fee covers a full year or any part thereof and will not be prorated or refunded in a year of early termination.
- Should any of the assumptions, duties or responsibilities of Wells Fargo change, Wells Fargo reserves the right to affirm, modify or rescind this proposal.
- The fees described in this proposal are subject to periodic review and adjustment by Wells Fargo.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- This fee proposal is good for 90 days.
- Wells Fargo is acting as an indenture trustee or in a similar capacity, and as such, Wells Fargo shall not provide advice with respect to the investment of the proceeds from municipal securities or municipal escrow transactions. Furthermore, in its capacity as indenture trustee, in the event Wells Fargo does provide any service that may be deemed as advice, it is doing so pursuant to and in reliance on the bank exemption under the municipal advisor rules of the Securities and Exchange Commission.

Important Information about Identifying Our Customers

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate, or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, Wells Fargo asks for your name, address, date of birth (for individuals), TIN or EIN or other information that allows for identification of you or your company. For individuals, this could mean providing a Social Security number. For a corporation, partnership, trust, estate, or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Statement of Confidentiality

All of the information contained in or related to this fee proposal is confidential and proprietary to Wells Fargo (the "Confidential Information"). The recipient(s) of any Confidential Information acknowledges and agrees that such information shall be held in strict confidence and shall not be disclosed, duplicated, or used, in whole or in part, for any purpose other than the evaluation of Wells Fargo's qualifications for the applicable role(s) described without the prior written consent of Wells Fargo.

Contact Information

Jeff Carlson
Wells Fargo Bank, N.A.
600 South 4th Street, 6th Floor
Minneapolis, MN 55415
Phone: (612) 667-4802
Email: jeffrey.k.carlson@wellsfargo.com

Acknowledged by:

Brushy Creek Municipal Utility District

Signature

Printed name

Title

Date

ESCROW AGREEMENT

Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2020A

THIS ESCROW AGREEMENT, dated as of September 30, 2020 (herein, together with any amendments or supplements hereto, called the "Agreement"), entered into by and between Brushy Creek Municipal Utility District (the "Issuer") and Wells Fargo Bank, N.A., as escrow agent (together with any successor in such capacity, the "Escrow Agent"). The addresses of the Issuer and the Escrow Agent are shown on Exhibit "A" attached hereto and made apart hereof.

WITNESSETH:

WHEREAS, the Issuer heretofore issued and there presently remain outstanding the obligations described in the Verification Report prepared by Robert Thomas CPA, LLC relating to the Refunded Obligations (defined below), attached hereto as Exhibit "B" and made a part hereof (the "Report"); and

WHEREAS, the Refunded Obligations are scheduled to mature in such years, bear interest at such rates, and be payable at such times and in such amounts as are set forth in the Report; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purposes of receiving payment from the funds provided for such purpose and Issuer's right to call such Refunded Obligations for redemption in accordance with the provisions of the resolution, order or ordinance authorizing their issuance upon compliance with the provisions of Texas law; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with an eligible institution, including any place of payment (paying agent) for any of the Refunded Obligations, and such deposit, if made before such payment dates and in sufficient amounts, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, Chapter 1207 further authorizes the Issuer to enter into an escrow agreement with any such paying agent for any of the Refunded Obligations with respect to the safekeeping, investment, administration and disposition of any such deposit, upon such terms and conditions as the Issuer and such paying agent may agree, provided that such deposits may be invested only in obligations authorized by Chapter 1207, and which shall mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of principal and interest on the Refunded Obligations when due; and

WHEREAS, this Agreement constitutes an escrow agreement of the kind authorized and required by said Chapter 1207; and

WHEREAS, in accordance with Section 1207.061(a)(3) of the Government Code the Escrow Agent does not act as a depository bank of the Issuer; and

WHEREAS, Wells Fargo Bank, N.A. is the paying agent for the Issuer's Unlimited Tax Refunding Bonds, Series 2013 (the "Refunded Obligations"); and

WHEREAS, Chapter 1207 makes it the duty of the Escrow Agent to comply with the terms of this Agreement and timely make available to the other places of payment (paying agents) for the Refunded Obligations the amounts required to provide for the payment of the principal of and interest on such obligations when due, and in accordance with their terms, but solely from the funds, in the manner, and to the extent provided in this Agreement; and

WHEREAS, the Issuer's Unlimited Tax Refunding Bonds, Series 2020A (the "Refunding Obligations") have been issued, sold and delivered for the purpose, among others, of obtaining the funds required to provide for the payment of the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and the interest thereon to such dates as set forth in the Report; and

WHEREAS, the Issuer desires that, concurrently with the delivery of the Refunding Obligations to the purchasers thereof, certain proceeds of the Refunding Obligations, together with certain other available funds of the Issuer, shall be held for deposit to the credit of the Escrow Fund created pursuant to the terms of this Agreement in such Escrow Fund; and

WHEREAS, the cash will be sufficient to pay interest on the Refunded Obligations as it accrues and becomes payable and the principal of the Refunded Obligations on their respective maturity dates or dates of redemption; and

WHEREAS, any paying agent for the Refunded Obligations is also a party to this Agreement, as a paying agent for the Refunded Obligations to acknowledge their acceptance of the terms and provisions of this Agreement in such capacity.

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, the sufficiency of which are hereby acknowledged, and in order to secure the full and timely payment of principal of and the interest on the Refunded Obligations, the Issuer and the Escrow Agent mutually undertake, promise, and agree for themselves and their respective representatives and successors, as follows:

ARTICLE I

DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless the context clearly indicates otherwise, the following terms shall have the meanings assigned to them below when they are used in this Agreement:

"Code" means the Internal Revenue Code of 1986, as amended, or to the extent applicable the Internal Revenue Code of 1954, together with any other applicable provisions of any successor federal income tax laws.

"Escrow Fund" means the fund created by this Agreement to be administered by the Escrow Agent pursuant to the provisions of this Agreement.

"Paying Agent" means Wells Fargo Bank, N.A. acting in its capacity as paying agent for the Refunded Obligations.

Section 1.02. Other Definitions. The terms "Agreement," "Issuer," "Escrow Agent," "Refunded Obligations," "Refunding Obligations," and "Report" when they are used in this Agreement, shall have the meanings assigned to them in the preamble to this Agreement.

Section 1.03. Interpretations. The titles and headings of the articles and sections of this Agreement have been inserted for convenience and reference only and are not to be considered a part hereof and shall not in any way modify or restrict the terms hereof. This Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the refunding of the Refunded Obligations in accordance with applicable law.

ARTICLE II **DEPOSIT OF FUNDS**

Section 2.01. Deposits in the Escrow Fund. Concurrently with the sale and delivery of the Refunding Obligations the Issuer shall deposit, or cause to be deposited, with the Escrow Agent, for deposit in the Escrow Fund, the funds described in the Report, and the Escrow Agent shall, upon the receipt thereof, acknowledge such receipt to the Issuer in writing.

ARTICLE III **CREATION AND OPERATION OF ESCROW FUND**

Section 3.01. Escrow Fund. The Escrow Agent has created on its books a special trust fund and irrevocable escrow to be known as the Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2020A Escrow Fund (the "Escrow Fund"). The Escrow Agent hereby agrees that upon receipt thereof it will irrevocably deposit to the credit of the Escrow Fund the funds described in the Report. Such deposit therein (a) shall be the property of the Escrow Fund, (b) shall be applied only in strict conformity with the terms and conditions of this Agreement, and (c) are hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations, which payment shall be made by timely transfers of such amounts at such times as are provided for in Section 3.02 hereof. When the final transfers have been made for the payment of such principal of and interest on the Refunded Obligations on their respective maturity dates or dates of redemption, any balance then remaining in the Escrow Fund shall be transferred to the Issuer, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal and Interest. The Escrow Agent is hereby irrevocably instructed to transfer from the cash balance on deposit in the Escrow Fund, the amounts required to pay the principal of the Refunded Obligations at their respective maturity dates or dates of redemption and interest thereon to such maturity dates or dates of redemption in the amounts and at the times shown in the Report.

Section 3.03. Sufficiency of Escrow Fund. The Issuer represents that the cash balance on deposit in the Escrow Fund will be at all times sufficient to provide moneys for transfer to the Paying Agent at the times and in the amounts required to pay the interest on the Refunded Obligations at their respective maturity dates or dates of redemption as such interest comes due and the principal of the Refunded Obligations mature, all as more fully set forth in the Report. If, for any reason, at any time, the cash balances on deposit or scheduled to be on deposit in the

Escrow Fund shall be insufficient to transfer the amounts required by each place of payment (paying agent) for the Refunded Obligations to make the payments set forth in Section 3.02 hereof, the Issuer shall timely deposit in the Escrow Fund, from any funds that are lawfully available therefor, additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be given as promptly as practicable as hereinafter provided, but the Escrow Agent shall not in any manner be responsible for any insufficiency of funds in the Escrow Fund or the Issuer's failure to make additional deposits thereto.

Section 3.04. Trust Fund. The Escrow Agent shall hold at all times the Escrow Fund and all other assets of the Escrow Fund, wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The assets of the Escrow Fund shall always be maintained by the Escrow Agent as trust funds for the benefit of the owners of the Refunded Obligations; and a special account thereof shall at all times be maintained on the books of the Escrow Agent. The owners of the Refunded Obligations shall be entitled to the same preferred claim and first lien upon the assets of the Escrow Fund to which they are entitled as owners of the Refunded Obligations. The amounts received by the Escrow Agent under this Agreement shall not be considered as a banking deposit by the Issuer, and the Escrow Agent shall have no right to title with respect thereto except as a constructive trustee and Escrow Agent under the terms of this Agreement. The amounts received by the Escrow Agent under this Agreement shall not be subject to warrants, drafts or checks drawn by the Issuer or, except to the extent expressly herein provided, by the Paying Agent.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund shall, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by, the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV LIMITATION ON INVESTMENTS

The Escrow Agent shall not have any power or duty to invest or reinvest any money held hereunder.

ARTICLE V APPLICATION OF CASH BALANCES

No withdrawals, transfers, or reinvestment shall be made of cash balances in the Escrow Fund.

ARTICLE VI RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent will keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipts, disbursements, allocations and application of the money deposited to the Escrow Fund and all

proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the Issuer and the owners of the Refunded Obligations.

Section 6.02. Reports. While this Agreement remains in effect, the Escrow Agent annually shall prepare and send to the Issuer a written report summarizing all transactions relating to the Escrow Fund during the preceding year, including, without limitation, transfers from the Escrow Fund for payments on the Refunded Obligations or otherwise, together with a detailed statement of the cash balance on deposit in the Escrow Fund as of the end of such period.

ARTICLE VII **CONCERNING THE PAYING AGENT AND ESCROW AGENT**

Section 7.01. Representations. The Escrow Agent hereby represents that it has all necessary power and authority to enter into this Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The liability of the Escrow Agent to transfer funds for the payment of the principal of and interest on the Refunded Obligations shall be limited to the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, neither the Escrow Agent nor the Paying Agent shall have any liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligors to make timely payment thereon, except for the obligation to notify the Issuer as promptly as practicable of any such occurrence.

The recitals herein and in the proceedings authorizing the Refunding Obligations shall be taken as the statements of the Issuer and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. The Escrow Agent is not a party to the proceedings authorizing the Refunding Obligations or the Refunded Obligations and is not responsible for nor bound by any of the provisions thereof (except as a place of payment and paying agent and/or a Paying Agent/Registrar therefor). In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Agreement.

The Escrow Agent makes no representations as to the value, conditions or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the Issuer thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall not incur any liability or responsibility in respect to any of such matters.

It is the intention of the parties hereto that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in any exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own action, neglect or default, nor for any loss unless the same shall have been through its negligence or willful misconduct.

Unless it is specifically otherwise provided herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the Issuer with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund, to dispose of and deliver the same in accordance with this Agreement. If, however, the Escrow Agent is called upon by the terms of this Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in event of error in making such determination the Escrow Agent shall be liable only for its own willful misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the Issuer or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with, among others, the Issuer at any time.

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

Section 7.03. Compensation. (a) Concurrently with the sale and delivery of the Refunding Obligations, the Issuer shall pay to the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Agreement, the amount set forth in Exhibit "C" attached hereto, the sufficiency of which is hereby acknowledged by the Escrow Agent. In the event that the Escrow Agent is requested to perform any extraordinary services hereunder, the Issuer hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services, and the Escrow Agent hereby agrees to look only to the Issuer for the payment of such fees and reimbursement of such expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the Escrow Fund for any fees for its services, whether regular or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

(b) Wells Fargo Bank, N.A. is the place of payment (paying agent) for the Refunded Obligations. The Issuer covenants to timely pay for all future paying agency services of Wells Fargo Bank, N.A. for the Refunded Obligations in accordance with the paying agent fee schedule now in effect through the final payment of the Refunded Obligations, the sufficiency of which is hereby acknowledged by Wells Fargo Bank, N.A.

Section 7.04. Successor Escrow Agents. If at any time the Escrow Agent or its legal successor or successors should become unable, through operation or law or otherwise, to act as escrow agent hereunder, or if its property and affairs shall be taken under the control of any state or federal court or administrative body because of insolvency or bankruptcy or for any other reason, a vacancy shall forthwith exist in the office of Escrow Agent hereunder. In such event the Issuer, by appropriate action, promptly shall appoint an Escrow Agent to fill such vacancy. If no successor Escrow Agent shall have been appointed by the Issuer within 60 calendar days, a

successor may be appointed by the owners of a majority in principal amount of the Refunded Obligations then outstanding by an instrument or instruments in writing filed with the Issuer, signed by such owners or by their duly authorized attorneys-in-fact. If, in a proper case, no appointment of a successor Escrow Agent shall be made pursuant to the foregoing provisions of this section within three months after a vacancy shall have occurred, the owner of any Refunded Obligation may apply to any court of competent jurisdiction to appoint a successor Escrow Agent. Such court may thereupon, after such notice, if any, as it may deem proper, prescribe and appoint a successor Escrow Agent.

Any successor Escrow Agent shall be a corporation organized and doing business under the laws of the United States or the State of Texas, authorized under such laws to exercise corporate trust powers, authorized under Texas law to act as an escrow agent, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$5,000,000 and subject to the supervision or examination by Federal or State authority.

Any successor Escrow Agent shall execute, acknowledge and deliver to the Issuer and the Escrow Agent an instrument accepting such appointment hereunder, and the Escrow Agent shall execute and deliver an instrument transferring to such successor Escrow Agent, subject to the terms of this Agreement, all the rights, powers and trusts of the Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the Issuer shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such rights, powers and duties.

The Escrow Agent at the time acting hereunder may at any time resign and be discharged from the trust hereby created by giving not less than sixty (60) days' written notice to the Issuer and publishing notice thereof, specifying the date when such resignation will take effect, in a newspaper printed in the English language and with general circulation in New York, New York, such publication to be made once at least three (3) weeks prior to the date when the resignation is to take effect. No such resignation shall take effect unless a successor Escrow Agent shall have been appointed by the owners of the Refunded Obligations or by the Issuer as herein provided and such successor Escrow Agent shall be a paying agent for the Refunded Obligations and shall have accepted such appointment, in which event such resignation shall take effect immediately upon the appointment and acceptance of a successor Escrow Agent.

Under any circumstances, the Escrow Agent shall pay over to its successor Escrow Agent proportional parts of the Escrow Agent's fee and, if applicable, its Paying Agent's fee hereunder.

ARTICLE VIII **MISCELLANEOUS**

Section 8.01. Notice. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed to the Issuer or the Escrow Agent at the address shown on Exhibit "A" attached hereto. The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) calendar days prior notice thereof. Prior written notice of any amendment to this Agreement contemplated pursuant to Section 8.08 and immediate written notice of any incidence of a severance pursuant to Section 8.04 shall be sent to Moody's

Investors Service, Attn: Public Finance Rating Desk/Refunded Bonds, 99 Church Street, New York, New York 10007 and Standard & Poor's Corporation, Attn: Municipal Bond Department, 25 Broadway, New York, New York 10004.

Section 8.02. Termination of Responsibilities. Upon the taking of all the actions as described herein by the Escrow Agent, the Escrow Agent shall have no further obligations or responsibilities hereunder to the Issuer, the owners of the Refunded Obligations or to any other person or persons in connection with this Agreement.

Section 8.03. Binding Agreement. This Agreement shall be binding upon the Issuer and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the owners of the Refunded Obligations, the Issuer, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provisions of this Agreement, but this Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Texas Law Governs. This Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.06. Time of the Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Agreement.

Section 8.07. Effective date of Agreement. This Agreement shall be effective upon receipt by the Escrow Agent of the funds described in the Report, together with the specific sums stated in subsections (a) and (b) of Section 7.03 for Escrow Agent and paying agency fees, expenses, and services.

Section 8.08. Amendments. This Agreement shall not be amended except to cure any ambiguity or formal defect or omission in this Agreement. No amendment shall be effective unless the same shall be in writing and signed by the parties thereto. No such amendment shall adversely affect the rights of the holders of the Refunded Obligations.

Section 8.09. Anti-Boycott. The Escrow Agent represents and warrants, for purposes of Chapter 2271 of the Texas Government Code, that at the time of execution and delivery of this Agreement, neither the Escrow Agent, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, boycotts Israel or will boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, "boycotts Israel" and "boycott Israel" means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Escrow Agent understands "affiliate" to mean an entity that controls, is controlled by, or is under common control with the Escrow Agent and exists to make a profit.

Section 8.10. Terrorist Organizations. The Escrow Agent represents that, neither the Escrow Agent, nor any parent company, wholly- or majority-owned subsidiaries or affiliates of the same, if any, are companies identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

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

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

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EXECUTED as of the date first written above.

**BRUSHY CREEK MUNICIPAL UTILITY
DISTRICT**

By: Donna J. Parker
Title: President, Board of Directors

WELLS FARGO BANK, N.A., as Escrow Agent


By  _____
Authorized Signatory

EXHIBIT "A"

ADDRESSES OF THE ISSUER AND THE ESCROW AGENT

Issuer

Brushy Creek Municipal Utility District
16318 Great Oaks Drive
Round Rock, Texas 78681
Attn: Mike Petter

Escrow Agent

Wells Fargo Bank, NA
Corporate Trust Services
600 S. 4th St., 6th Floor
MAC N9300-060
Minneapolis, MN 554159
ATTN: Jeffrey K. Carlson

EXHIBIT "B"

VERIFICATION REPORT

[See Separate Tab of Transcript]

EXHIBIT "C"

ESCROW AGENT FEE SCHEDULE

Schedule of Fees

To provide refunding escrow agent services

Brushy Creek Municipal Utility District
 Unlimited Tax Refunding Bonds, Series 2020A
 (Refunding the Series 2013 Bonds)

Account Acceptance Fee (per agreement)	\$1,000.00
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A one-time fee payable at closing for our initial review of governing documents, account set-up and customary duties and responsibilities related to the closing (includes subscription to SLGs as directed).

Annual Refunding Escrow Administration Fee (per account)	\$1,000.00
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Annual fee for ordinary administration services by the refunding escrow agent include daily routine account management, initial investment transactions, cash transaction processing in accordance with the agreement, and providing trust account statements as applicable. The administration fees are payable annually in advance, with the first installment due at the time of escrow agreement execution.

DTC charges associated with the refunding, including but not limited to charges for additional or split CUSIPs, shall be passed through at cost. The current DTC charge is \$1,000.00 per additional or split CUSIP, where applicable.

Redemption Fee (per occurrence)	\$500.00
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Fee for processing the early redemption on the REFUNDED bonds, as well as preparing split billing invoices for the refunded and un-refunded portions of the bonds, if applicable, and providing the defeasance and redemption notices to bondholders as directed.

Out-of-Pocket Expenses	At cost
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Out-of-pocket expenses will be billed at cost at the sole discretion of Wells Fargo.

Extraordinary Services	Standard rate
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The charges for performing services not contemplated at the time of execution of the governing documents or not specifically covered elsewhere in this schedule will be at Wells Fargo's rates for such services in effect at the time expense is incurred. The review of complex tax forms, including by way of example but not limited to IRS Form W-8IMY, shall be considered extraordinary services.

These services may include, but are not limited to, tax reporting, establishment and administration of trust accounts, express mail and messenger charges, travel expenses to attend closings or other meetings, tender agent services, changes to documents, interim bond calls, rate mode changes, conversions or de-conversions of the account records, default administration and the publication of redemption notices. This proposal is based on the assumption of a book entry only issuance closing at DTC. If the bonds are to be settled in an alternate form of issuance, we will provide an adjusted fee schedule.

Assumptions

This proposal is based upon the below assumptions with respect to the role(s) of refunding escrow agent.

- Number of funds or accounts: One (1)
- Investment of Escrow Funds: U.S. Treasury Securities, State and Local Government Securities (SLGS), Other. Fees are subject to change if the investment option changes.
- Wells Fargo reserves the right in its sole discretion to impose a deposit sweep fee on the average balance in the account(s) over the preceding month. This balance will be calculated on interest bearing deposits and non-interest bearing deposits held with Wells Fargo Bank, N.A. subject to contractual arrangements.

Terms and Conditions

- The recipient acknowledges and agrees that this proposal does not commit or bind Wells Fargo to enter into a contract or any other business arrangement, and that acceptance of the appointment described in this proposal is expressly conditioned on all the following:
 - Compliance with the requirements of the USA Patriot Act of 2001, described below
 - Satisfactory completion of Wells Fargo's internal account acceptance procedures
 - Wells Fargo's review of all applicable governing documents and its confirmation that all terms and conditions pertaining to its role are satisfactory to it
 - Execution of the governing documents by all applicable parties
- Should this transaction fail to close or if Wells Fargo determines not to participate in the transaction, any acceptance fee and any legal fees and expenses shall be due and payable.
- Legal counsel fees and expenses, any acceptance fee and any first year annual administrative fee are payable at closing.
- Any annual fee covers a full year or any part thereof and will not be prorated or refunded in a year of early termination.
- Should any of the assumptions, duties or responsibilities of Wells Fargo change, Wells Fargo reserves the right to affirm, modify or rescind this proposal.
- The fees described in this proposal are subject to periodic review and adjustment by Wells Fargo.
- Invoices outstanding for over 30 days are subject to a 1.5% per month late payment penalty.
- This fee proposal is good for 90 days.
- Wells Fargo is acting as an indenture trustee or in a similar capacity, and as such, Wells Fargo shall not provide advice with respect to the investment of the proceeds from municipal securities or municipal escrow transactions. Furthermore, in its capacity as indenture trustee, in the event Wells Fargo does provide any service that may be deemed as advice, it is doing so pursuant to and in reliance on the bank exemption under the municipal advisor rules of the Securities and Exchange Commission.

Important Information about Identifying Our Customers

To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person (individual, corporation, partnership, trust, estate, or other entity recognized as a legal person) for whom we open an account.

What this means for you: Before we open an account, Wells Fargo asks for your name, address, date of birth (for individuals), TIN or EIN or other information that allows for identification of you or your company. For individuals, this could mean providing a Social Security number. For a corporation, partnership, trust, estate, or other entity recognized as a legal person, this could mean identifying documents such as a Certificate of Formation from the issuing state agency.

Statement of Confidentiality

All of the information contained in or related to this fee proposal is confidential and proprietary to Wells Fargo (the "Confidential Information"). The recipient(s) of any Confidential Information acknowledges and agrees that such information shall be held in strict confidence and shall not be disclosed, duplicated, or used, in whole or in part, for any purpose other than the evaluation of Wells Fargo's qualifications for the applicable role(s) described without the prior written consent of Wells Fargo.

Contact Information

Jeff Carlson
Wells Fargo Bank, N.A.
600 South 4th Street, 6th Floor
Minneapolis, MN 55415
Phone: (612) 667-4802
Email: jeffrey.k.carlson@wellsfargo.com

Acknowledged by:

Brushy Creek Municipal Utility District

Signature

Printed name

Title

Date



Wells Fargo Bank, N.A.
Corporate Trust Services

Certified Copy of General Signature
Resolution Relating to Execution
of Written Instruments

WELLS FARGO BANK, NATIONAL ASSOCIATION
ASSISTANT SECRETARY'S CERTIFICATE

I, Molly Vachuska, hereby certify that I am an Assistant Secretary of Wells Fargo Bank, National Association, a national banking association, (the "Bank"), and I hereby further certify as follows:

1. The following is a true and correct extract from resolutions duly adopted by the Board of Directors of the Bank on November 25, 2003, and no modification, amendment, rescission or revocation of such resolutions has occurred affecting such extract as of the date of this certificate.

RESOLVED, that for the purposes of these resolutions, "Executive Officer" shall mean any person specifically designated as an Executive Officer of the Bank by resolution of the Board of Directors, and "Signing Officer" shall mean the Chairman of the Board, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, the Treasurer, any Vice President, any Assistant Vice President, any person whose title includes the word "Officer" (e.g., Commercial Banking Officer, Personal Banking Officer, Trust Officer), or any other person whose title has been or is hereafter designated by the Board of Directors as a title for an officer of the Bank, and such officers are hereby authorized to sign agreements, instruments and other documents on behalf of the Bank in accordance with the signing authorities conferred in Parts A, B and C of these resolutions;

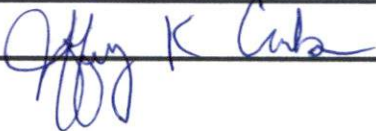
C. Signing Officers

FURTHER RESOLVED, that any Signing Officer, acting alone, may execute on behalf of the Bank, whether acting for its own account or in a fiduciary or other representative capacity:

Trust indentures, declarations of trust, trust and agency agreements, pooling and servicing agreements, fiscal and paying agency agreements, acceptances thereof, consents thereto and any similar agreements, however denominated, to which the Bank is a party in a fiduciary or other representative capacity; certificates of authentication or other indicia of valid issuance with respect to bonds, notes, debentures and other securities or obligations issued under any indenture, mortgage, trust or other agreement; certificates for securities deposited, interim certificates and other certificates for and on behalf of the Bank as depository or agent; countersignatures of stocks, bonds, notes, debentures, voting trust certificates, participation certificates and other certificates,

instruments, obligations or other securities on behalf of the Bank as trustee, fiscal and paying agent, transfer agent, registrar or in another similar capacity; and certificates of cancellation and cremation of stocks, bonds, debentures or other securities.

2. The following named persons are Signing Officers of the Bank as of the date hereof, and their correct titles and genuine signatures appear beside their names:

Name	Title	Signature
Jeffrey K. Carlson	Vice President	

IN WITNESS WHEREOF, I have hereunto set my hand this 18th *day of* September *2020.*



Molly Vachuska
Assistant Secretary

EXTRACT OF AMENDED AND RESTATED BY-LAWS
OF
WELLS FARGO BANK, NATIONAL ASSOCIATION
(November 22, 2010)

ARTICLE IV

Officers and Employees

Section 4.1 Appointment of Officers. The Board shall appoint a President, one or more Vice Presidents and a Secretary and may appoint a Chairman of the Board and such other officers as from time to time may appear to the Board to be required or desirable to transact the business of the Association. Only directors shall be eligible for appointment as President or Chairman of the Board. If a director other than the President is appointed Chairman of the Board, the Board shall designate either of these two officers as the chief executive officer of this Association. Any officer designated by the Director of Human Resources as the head of a business or staff group may appoint officers at the rank of Senior Vice President, Managing Director or below, and any such designated officer may delegate this authority to another officer.

Section 4.5 General Authority and Duties. Officers shall have the general powers and duties customarily vested in the office of such officers of a corporation and shall also exercise such powers and perform such duties as may be prescribed by the Articles of Association, by these by-laws, or by the laws or regulations governing the conduct of the business of national banking associations, and shall exercise such other powers and perform such other duties not inconsistent with the Articles of Association, these by-laws or laws or regulations as may be conferred upon or assigned to them by the Board or the chief executive officer.

ARTICLE VI

Corporate Seal

Section 6.1 Form. The corporate seal of the Association shall have inscribed thereon the name of the Association.

Section 6.2 Authority to Impress. The Chairman of the Board, if any, the President, the Secretary, any Assistant Secretary or other officer designated by the Board shall have authority to impress or affix the corporate seal to any document requiring such seal, and to attest the same.

GENERAL AND NO-LITIGATION CERTIFICATE

**THE STATE OF TEXAS
COUNTY OF WILLIAMSON
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

§
§
§

We, the undersigned President and Secretary, respectively, of the Board of Directors of the District, hereby certify as follows:

GENERAL

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 for the benefit of the Underwriter in connection with the issuance of the Bonds. The words and terms used herein shall have the meanings whenever they are used given in Exhibit "A" attached hereto.

2. Any certificate signed by an official of the District delivered to the Underwriter or the Attorney General of the State of Texas shall be deemed a representation and warranty by the District as to the statements made therein. The Public Finance Division of the Office of the Attorney General of the State of Texas is hereby authorized to date this certificate as of the date of approval of the Bonds and is entitled to rely upon the accuracy of the information contained herein unless notified by telephone or fax to the contrary. The Comptroller of Public Accounts is further authorized to register the Bonds upon receipt of the Attorney General approval. After registration, the Bonds, opinions and registration papers shall be delivered to C. D. Polumbo at McCall, Parkhurst & Horton L.L.P.

MATTERS RELATING TO THE DISTRICT

3. We officially executed and signed the Bonds with our manual signatures or by causing facsimiles of our manual signatures to be imprinted or copied on each of the Bonds, and, if appropriate, we hereby adopt said facsimile signatures as our own, respectively, and declare that the facsimile signatures constitute our signatures the same as if we had manually signed each of the Bonds.

4. The Bonds are substantially in the form, and have been duly executed and signed in the manner prescribed in the Bond Order.

5. 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 the same.

6. No litigation of any nature has been filed or is now pending to restrain or enjoin the issuance or delivery 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 issuance of the Bonds, and that so far as we know and believe no such litigation is threatened.

7. Neither the corporate existence nor boundaries of the District is being contested, no litigation has been filed or is now pending which would affect the authority of the officers of the District to issue, execute, sign, and deliver the Bonds, and no authority or proceedings for the issuance of the Bonds have been repealed, revoked or rescinded.

8. We have caused the official seal of the District to be impressed, or printed, or copied on the Bonds and said seal on the Bonds has been duly adopted as, and is hereby declared to be, the official seal of the District.

9. The District is a conservation and reclamation district operating and existing as a municipal utility district under the provisions of Article XVI, Section 59 of the Texas Constitution, Chapters 49 and 54, Texas Water Code, as amended.

10. The following individuals are presently the duly elected or appointed and qualified directors and officers of the District holding offices opposite their names as indicated below.

Donna B. Parker, President
Kim Filiatrault, Secretary
Rebecca B. Tullos, Treasurer,
Michael Tucker, Vice-President, Assistant Secretary/Treasurer
Shean Dalton, Director

11. Each member of the Board of Directors of the District has duly qualified as a member of the Board of Directors by executing the sworn statement (when required), by executing the bond required by law, and by taking the official oath of office prescribed by the Constitution for public officers, each such bond was duly approved by the Board of Directors of the District, and each such bond, sworn statement and oath are filed and retained in the District's records and with the Secretary of State. The officers and members of the District's Board of Directors have not changed since the issuance of the District's Unlimited Tax Bonds, Series 2020 (the "Series 2020 Bonds").

12. Other than the Bonds, the District has the below outstanding indebtedness payable from taxes:

Unlimited Tax Refunding Bonds, Series 2012	\$ 660,000
Unlimited Tax Refunding Bonds, Series 2013	\$5,980,000
Unlimited Tax Refunding Bonds, Series 2019	\$6,605,000
Unlimited Tax Refunding Bonds, Series 2020	\$8,140,000
Unlimited Tax Bonds, Series 2020	\$2,100,000

13. A District Information Form and amendments thereto have been filed as required by Section 49.455, Texas Water Code and as of the date of this Certificate, all information required

by law to be filed by the District with the Texas Commission on Environmental Quality has been filed. Based upon our actual knowledge, the District is currently in compliance with all regulations of the Texas Commission on Environmental Quality.

14. All meetings of the Board have been open to the public and notice of the time, place, and subject of each such meeting was given as required by Chapter 551, Texas Government Code, as amended, and Chapter 49, Texas Water Code, as amended.

15. None of the Refunded Bonds have ever been held in or purchased for the account of any of the special funds created and maintained under the orders authorizing their issuance for payment or security of the Refunded Bonds.

16. The District has complied with the provisions of the Texas Election Code and the Federal Voting Rights Act in all its elections.

17. The District has not defaulted in the performance of any of the covenants or other conditions in the Bond Order or the orders authorizing the Refunded Bonds.

18. The ad valorem tax roll approved by the District for 2020 is \$2,206,313,816 (which is net of all applicable exemptions).

19. The District lies within the extraterritorial jurisdiction of the City of Round Rock and the District is not a party to any consent agreement with the City.

20. The boundaries of the District have not changed or been modified in any manner since the issuance of the District's Series 2020 Bonds.

21. Lawfully available funds are hereby appropriated and confirmed to be available to pay interest and principal due on the Bonds coming due on December 1, 2020.

22. The Board has received all required disclosure filings under Section 2252.908 of the Texas Government Code in connection with the authorization and issuance of the Bonds and has acknowledged receipt of such filings with the Texas Ethics Commission ("TEC") in accordance with TEC's rules.

23. The District verifies that, pursuant to Section 2271.002 of the Texas Government Code, that all contracts with a company (as such term is defined in Section 808.001 of the Texas Government Code) within the transcript of proceedings for the Bonds, includes a written verification that such company (1) does not "Boycott Israel" (as such term is defined in Section 808.001 of the Texas Government Code) and (2) will not Boycott Israel during the term of the such respective contract.

24. With respect to the contracts contained within the transcript of proceedings that are subject to Section 2252.152, Texas Government Code, the District has verified, as of the date of

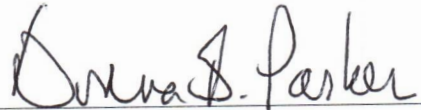
execution, none of the counter parties to those contracts are listed as scrutinized companies with business operations in Sudan or Iran or that engage in scrutinized business operations with foreign terrorist organizations, or are companies known to have contracts with or provide supplies or services to a "foreign terrorist organization" or "designated foreign terrorist organization" on the lists prepared and maintained pursuant to Texas Government Code Sections 2270.0201 or 2252.153.

CLOSING MATTERS

25. To our best knowledge and belief that (i) the representations and warranties of the District contained in the Bond Purchase Agreement are true and correct in all material respects on and as of the date of Closing as if made on the date of Closing; (ii) no litigation is pending or, to our knowledge, threatened in any court to restrain or enjoin the issuance or delivery of the Bonds, or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds, the Bond Order, or the Bond Purchase Agreement, or contesting the powers of the District or contesting the authorization of the Bonds or the Bond Order, or contesting in any way the accuracy, completeness or fairness of the Preliminary Official Statement or the Official Statement (but in lieu of or in conjunction with such certificate, the Underwriter may, in their sole discretion, accept certificates or opinions of counsel of the District that, in our opinion, the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (iii) the Bond Order has not been amended, modified, supplemented, or repealed since the date of the Bond Purchase Agreement, except as agreed to by the Underwriter, and is in full force and effect; (iv) to the best of our knowledge, no event affecting the District has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (v) there has not been any material and adverse change in the financial condition of the District since September 30, 2019, the latest date as to which audited financial information is available.

SIGNED this the 30th day of September, 2020.

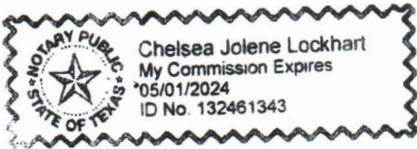

Secretary, Board of Directors


President, Board of Directors


NOTARY ACKNOWLEDGMENT

BEFORE ME, on this day personally appeared the foregoing individuals, known to me to be the officers whose true and genuine signatures were subscribed to the foregoing instrument in my presence.

Given under my hand and seal of office this 13 day of August, 2020.



(Notary Seal)


Notary Public

Execution Page

EXHIBIT A

Definitions

<i>Bonds</i>	Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2020A, dated September 1, 2020 in the aggregate principal amount of \$5,600,000.
<i>Bond Order</i>	The order adopted by the Board of Directors of the District on August 13, 2020 authorizing the issuance of the Bonds.
<i>Closing</i>	September 30, 2020 or at such other time agreed upon between the District and the Underwriter.
<i>District</i>	Brushy Creek Municipal Utility District.
<i>District Documents</i>	Collectively, the Purchase Agreement, the Order, the Pricing Certificate and the Undertaking.
<i>Official Statement</i>	Collectively, the Preliminary Official Statement dated August 27, 2020 and the Official Statement dated September 2, 2020 relating to the issuance of the Bonds.
<i>Purchase Agreement</i>	The Bond Purchase Agreement between the District and the Underwriter dated September 2, 2020.
<i>Pricing Certificate</i>	The certificate of the pricing officer establishing the terms of the Bonds as authorized pursuant to the Bond Order.
<i>Refunded Bonds</i>	Those obligations being refunded by the Bonds as set forth in the Pricing Certificate.
<i>Undertaking</i>	The undertaking of the District which satisfies the requirements of section (b)(5)(i) of Rule 15c2-12 under the Securities and Exchange Act of 1934, as amended.
<i>Underwriter</i>	BOK Financial Securities, Inc.

FEDERAL TAX CERTIFICATE

1. In General.

1.1. The undersigned is an authorized representative of the Brushy Creek Municipal Utility District (the "Issuer").

1.2. This Certificate is executed for the purpose of establishing the reasonable expectations of the Issuer as to future events regarding the Issuer's Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds"). The Bonds are being issued pursuant to an Order of the Issuer and a Pricing Certificate, each duly adopted by the Issuer (collectively, the "Order"). The Order is incorporated herein by reference.

1.3. To the best of the undersigned's knowledge, information and belief, the expectations contained in this Federal Tax Certificate are reasonable.

1.4. The undersigned is an officer of the Issuer delegated with the responsibility, among others, of issuing and delivering the Bonds.

1.5. The undersigned is not aware of any facts or circumstances that would cause him to question the accuracy of the representations made by BOK Financial Securities, Inc. (the "Underwriter") in the Issue Price Certificate attached hereto as Exhibit "D" and by Robert W. Baird & Co. Incorporated (the "Financial Advisor") in Subsections 3.2 and 4.3 of this Certificate and with respect to the Schedules attached hereto as Exhibit "E".

2. The Purpose of the Bonds and Useful Lives of Projects.

2.1. The purpose for the issuance of the Bonds, as more fully described in the Order, is to currently refund the Issuer's Unlimited Tax Refunding Bonds, Series 2013 (the "Outstanding Bonds") and in part, to pay the related expenses of issuing the Bonds. The proceeds of the Bonds will be used to redeem the Outstanding Bonds within 90 days of the date hereof.

2.2. The proceeds of the Outstanding Bonds were used to finance or to refinance certain obligations of the Issuer (the "Original Bonds") the proceeds of which were used for various municipal projects (the "Outstanding Projects"). The Outstanding Projects remain in service and have not been sold or otherwise disposed of by the Issuer.

2.3. The Issuer expects that 120 percent of the aggregate useful lives of the Outstanding Projects, on the later of the date that the Outstanding Projects were placed in service or the date of issuance of the Outstanding Bonds, will exceed the weighted average maturity of the Bonds.

2.4. Other than members of the general public, the Issuer expects that throughout the lesser of the term of the Bonds, or the useful lives of the Outstanding Projects, the only user of the Outstanding Projects has been or will be the Issuer or the Issuer's employees and agents. The Issuer or another governmental unit will be manager will be the manager of the Outstanding Projects. In no event will the proceeds of the Bonds, the Outstanding Bonds, the Outstanding Projects or facilities financed therewith be used for private business use in an amount greater than \$15 million. The Issuer does not expect to enter into long-term sales of output from the Outstanding Projects, except on the basis of generally-applicable and uniformly applied rates. The Issuer may apply different rates for different classes of customers, including volume purchasers, which are reasonable and customary.

2.5. Except as stated below, the Issuer expects not to sell or otherwise dispose of property constituting the Outstanding Projects prior to the earlier of the end of such property's useful life or the final maturity of the Bonds. The Order provides that the Issuer will not sell or otherwise dispose of the Outstanding

Projects unless the Issuer receives an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds.

2.6. For purposes of Subsection 2.5 hereof, the Issuer has not included the portion of the Outstanding Projects comprised of personal property that is disposed in the ordinary course at a price that is expected to be less than 25 percent of the original purchase price. The Issuer, upon any disposition of such property, will transfer the receipts from the disposition of such property to the general operating fund and expend such receipts within six months for other governmental programs.

3. Yield.

3.1. As shown in the Schedules attached hereto as Exhibit "E", the Issuer elects to use the issue price of the Bonds included in the Form 8038-G, based on the Issue Price Certificate attached hereto. The Issuer will determine the issue price of the Bonds based on (i) the first price at which a substantial amount of each maturity of the Bonds are sold to the public on the sale date, or (ii) the initial offering prices of any other maturity of the Bonds separately identified in paragraph (b) of the Issue Price Certificate.

3.2. The premium paid for bond insurance is solely for the transfer of credit risk for the payment of debt service on the Bonds. The Financial Advisor has represented, based on its experience, and the market conditions and other facts existing on the date of sale of the Bonds, that the present value of the premium paid for bond insurance for each obligation constituting the Bonds to which such premium is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Bonds. The premium has been paid to a person which is not a user or related to the user of any proceeds of the Bonds. In determining present value for this purpose, the yield of the Bonds (determined with regard to the payment of the guarantee fee) has been used as the discount rate.

3.3. Other than the qualified guarantee referred to in Subsection 3.2 above, the Issuer has not entered into any qualified guarantee or qualified hedge with respect to the Bonds. The yield on the Bonds will not be affected by subsequent unexpected events, except to the extent provided in section 1.148-4(h)(3) of the Treasury Regulations when and if the Issuer enters into a qualified hedge or into any transaction transferring, waiving or modifying any right that is part of the terms of any bond. The Issuer will consult with nationally recognized bond counsel prior to entering into any of the foregoing transactions.

4. Interest and Sinking Fund.

4.1. The Order confirms the creation of the Interest and Sinking Fund. Other than as described herein, money deposited in the Interest and Sinking Fund will be used to pay the principal of and interest on the Bonds (the "Bona Fide Debt Service Portion"). The Bona Fide Debt Service Portion constitutes a fund that is used primarily to achieve a proper matching of revenues and debt service within each bond year. Such portion will be completely depleted at least once each year except for an amount not in excess of the greater of (a) one-twelfth of the debt service on the Bonds for the previous year, or (b) the previous year's earnings on such portion of the Interest and Sinking Fund. Amounts deposited in the Interest and Sinking Fund constituting the Bona Fide Debt Service Portion will be spent within a thirteen-month period beginning on the date of deposit, and any amount received from the investment of money held in the Interest and Sinking Fund will be spent within a one-year period beginning on the date of receipt.

4.2. A portion of the funds on deposit in the Interest and Sinking Fund, not otherwise used to pay debt service on the Bonds within thirteen months, will be held in trust for the benefit of the holders of the Bonds (the "Reserve Portion"). If on any interest payment or maturity date, sufficient amounts are not available to make debt service payments on the Bonds, the Issuer is required to use such money constituting the Reserve Portion in an amount sufficient to make such payments. The present value of the investments deposited to the

Reserve Portion of the Interest and Sinking Fund and allocable to the Bonds that will be invested at a yield higher than the yield on such bonds will not, as of any date, exceed an aggregate amount which equals the lesser of (a) 10 percent of the stated principal amount (or, in the case of a discount, the issue price) of the Bonds, (b) 1.25 of the average annual debt service on the Bonds, or (c) maximum annual debt service on the Bonds.

4.3. Based on the representation of the Financial Advisor, the amount on deposit in the Reserve Portion of the Interest and Sinking Fund should be maintained as a balance allocable to the Bonds in the Interest and Sinking Fund consistent with accepted standards of prudent fiscal management for similar governmental bodies and in order to provide a reserve against periodic fluctuations in the amount and timing of payment of ad valorem taxes to the Issuer.

4.4. Any money deposited in the Interest and Sinking Fund and any amounts received from the investment thereof that accumulate and remain on hand therein after thirteen months from the date of deposit of any such money or one year after the receipt of any such amounts from the investment thereof shall constitute a third and separate portion of the Interest and Sinking Fund. The yield on any investments allocable to the portion of the Interest and Sinking Fund exceeding of the sum of (a) the Bona Fide Debt Service Portion, (b) the Reserve Portion and (c) an amount equal to the lesser of five percent of the sale and investment proceeds of the Bonds or \$100,000 will be restricted to a yield that does not exceed the yield on the Bonds.

5. Transferred Proceeds and Disposition Proceeds.

5.1. As of the date of this Certificate, all of the amounts received from the sale of the Outstanding Bonds, the Original Bonds and the investment earnings thereon have been expended.

5.2. The Issuer has no reason to believe nor has any expectation that a device has been or will be employed in connection with the issuance of the Bonds to obtain a material financial advantage (based on arbitrage) apart from savings attributable to lower interest rates.

6. Invested Sinking Fund Proceeds, Replacement Proceeds.

6.1. The Issuer has, in addition to the moneys received from the sale of the Bonds, certain other moneys that are invested in various funds which are pledged for various purposes. These other funds are not available to accomplish the purposes described in Section 2 of this Certificate.

6.2. Other than the Interest and Sinking Fund, there are, and will be, no other funds or accounts established, or to be established, by or on behalf of the Issuer (a) which are reasonably expected to be used, or to generate earnings to be used, to pay debt service on the Bonds, or (b) which are reserved or pledged as collateral for payment of debt service on the Bonds and for which there is reasonable assurance that amounts therein will be available to pay such debt service if the Issuer encounters financial difficulties. Accordingly, there are no other amounts constituting "gross proceeds" of the Bonds, within the meaning of section 148 of the Code.

7. Other Obligations.

There are no other obligations of the Issuer that (a) are sold at substantially the same time as the Bonds, i.e., within 15 days of the date of sale of the Bonds, (b) are sold pursuant to a common plan of financing with the Bonds, and (c) will be payable from the same source of funds as the Bonds.

8. Federal Tax Audit Responsibilities.

The Issuer acknowledges that in the event of an examination by the Internal Revenue Service (the "Service") to determine compliance of the Bonds with the provisions of the Code as they relate to tax-exempt obligations, the Issuer will respond, and will direct its agents and assigns to respond, in a commercially

reasonable manner to any inquiries from the Service in connection with such an examination. The Issuer understands and agrees that the examination may be subject to public disclosure under applicable Texas law. The Issuer acknowledges that this Certificate, including any attachments, does not constitute an opinion of Bond Counsel as to the proper federal tax or accounting treatment of any specific transaction.

9. Record Retention and Private Business Use.

The Issuer has covenanted in the Order that it will comply with the requirements of the Code relating to the exclusion of the interest on the Bonds under section 103 of the Code. The Service has determined that certain materials, records and information should be retained by the issuers of tax-exempt obligations for the purpose of enabling the Service to confirm the exclusion of the interest on such obligations under section 103 of the Code. **ACCORDINGLY, THE ISSUER SHALL TAKE STEPS TO ENSURE THAT ALL MATERIALS, RECORDS AND INFORMATION NECESSARY TO CONFIRM THE EXCLUSION OF THE INTEREST ON THE BONDS UNDER SECTION 103 OF THE CODE ARE RETAINED FOR THE PERIODS BEGINNING ON THE RESPECTIVE ISSUE DATE OF THE OUTSTANDING BONDS OR, IN THE CASE OF A SEQUENCE OF REFUNDINGS, THE ISSUE DATE OF THE OBLIGATIONS ORIGINALLY FINANCING THE OUTSTANDING PROJECTS AND ENDING THREE YEARS AFTER THE DATE THE BONDS ARE RETIRED.** The Issuer acknowledges receipt of the letters attached hereto as Exhibit "B" which discusses limitations related to private business use and Exhibit "C" which, in part, discusses specific guidance by the Service with respect to the retention of records relating to tax-exempt bond transactions.

10. Rebate to United States.

The Issuer has covenanted in the Order that it will comply with the requirements of the Code, including section 148(f) of the Code, relating to the required rebate to the United States. Specifically, the Issuer will take steps to ensure that all earnings on gross proceeds of the Bonds in excess of the yield on the Bonds required to be rebated to the United States will be timely paid to the United States. The Issuer acknowledges receipt of the memorandum attached hereto as Exhibit "A" which discusses regulations promulgated pursuant to section 148(f) of the Code.

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DATED as of September 30, 2020.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

By: Shean Dalton

Name: Shean Dalton

Title: General Manager

The undersigned represents that, to the best of the undersigned's knowledge, information and belief, the representations contained in Subsections 3.2 and 4.3 of this Federal Tax Certificate and the Schedules attached hereto as Exhibit "E" are, as of September 30, 2020, accurate and complete. We understand that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in this Federal Tax Certificate and by McCall, Parkhurst & Horton L.L.P. (i) in connection with rendering its opinion to the Issuer that interest on the Bonds is excludable from gross income thereof for income tax purposes, and (ii) for purposes of completing the IRS Form 8038-G. The undersigned is certifying only as to facts in existence on the date hereof. Nothing herein represents the undersigned's interpretation of any laws or the application of any laws to these facts.

ROBERT W. BAIRD & CO. INCORPORATED

By: Jan Bartholomew
Name: Jan Bartholomew
Title: Managing Director

Exhibit "A"

November 1, 2016

ARBITRAGE REBATE REGULATIONS[©]

The arbitrage rebate requirements set forth in section 148(f) of the Internal Revenue Code of 1986 (the "Code") generally provide that in order for interest on any issue of bonds¹ to be excluded from gross income (i.e., tax-exempt) the issuer must rebate to the United States the sum of, (1) the excess of the amount earned on all "nonpurpose investments" acquired with "gross proceeds" of the issue over the amount which would have been earned if such investments had been invested at a yield equal to the yield on the issue, and (2) the earnings on such excess earnings.

On June 18, 1993, the U.S. Treasury Department promulgated regulations relating to the computation of arbitrage rebate and the rebate exceptions. These regulations, which replace the previously-published regulations promulgated on May 15, 1989, and on May 18, 1992, are effective for bonds issued after June 30, 1993, have been amended. This memorandum was prepared by McCall, Parkhurst & Horton L.L.P. and provides a general discussion of these arbitrage rebate regulations, as amended. This memorandum does not otherwise discuss the general arbitrage regulations, other than as they may incidentally relate to rebate. This memorandum also does not attempt to provide an exhaustive discussion of the arbitrage rebate regulations and should not be considered advice with respect to the arbitrage rebate requirements as applied to any individual or governmental unit or any specific transaction. Any tax advice contained in this memorandum is of a general nature and is not intended to be used, and should not be used, by any person to avoid penalties under the Code.

McCall, Parkhurst & Horton L.L.P. remains available to provide legal advice to issuers with respect to the provisions of these tax regulations but recommends that issuers seek competent financial and accounting assistance in calculating the amount of such issuer's rebate liability under section 148(f) of the Code and in making elections to apply the rebate exceptions.

Effective Dates

The regulations promulgated on June 18, 1993, generally apply to bonds delivered after June 30, 1993, although they do permit an issuer to elect to apply the rules to bonds issued prior to that date. The temporary regulations adopted by the U.S. Treasury Department in 1989 and 1992 incorporated the same effective dates which generally apply for purposes of section 148(f) of the Code. As such, the previous versions of the rebate regulations generally applied to bonds issued between August 1986 and June 30, 1993 (or, with an election, to bonds issued prior to August 15, 1993). The statutory provisions of section 148(f) of the Code, other than the exception for construction issues, apply to all bonds issued after August 15, 1986, (for private activity bonds) and August 31, 1986, (for governmental public purpose bonds). The statutory exception to rebate applicable for construction issues generally applies if such issue is delivered after December 19, 1989.

The regulations provide numerous transitional rules for bonds sold prior to July 1, 1993. Moreover, since, under prior law, rules were previously published with respect to industrial development bonds and

¹ In this memorandum the word "bond" is defined to include any bond, note, certificate, financing lease or other obligation of an issuer.

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600 Congress Ave.
Suite 1800
Austin, Texas 78701
T 512.478.3805
F 512.472.0871

717 North Harwood
Suite 900
Dallas, Texas 75201
T 214.754.9200
F 214.754.9250

Two Allen Center
1200 Smith Street, Suite 1550
Houston, Texas 77002
T 713.980.0500
F 713.980.0510

700 N. St. Mary's Street
Suite 1525
San Antonio, Texas 78205
T 210.225.2800
F 210.225.2984



mortgage revenue bonds, the transitional rules contained in these regulations permit an issuer to elect to apply certain of these rules for computing rebate on pre-1986 bonds. The regulations provide for numerous elections which would permit an issuer to apply the rules (other than 18-month spending exception) to bonds which were issued prior to July 1, 1993 and remain outstanding on June 30, 1993. Due to the complexity of the regulations, it is impossible to discuss in this memorandum all circumstances for which specific elections are provided. If an issuer prefers to use these final version of rebate regulations in lieu of the computational method stated under prior law (e.g., due to prior redemption) or the regulations, please contact McCall, Parkhurst & Horton L.L.P. for advice as to the availability of such options.

Future Value Computation Method

The regulations employ an actuarial method for computing the rebate amount based on the future value of the investment receipts (i.e., earnings) and payments. The rebate method employs a two-step computation to determine the amount of the rebate payment. First, the issuer determines the bond yield. Second, the issuer determines the arbitrage rebate amount. The regulations require that the computations be made at the end of each five-year period and upon final maturity of the issue (the "computation dates"). **THE FINAL MATURITY DATE WILL ACCELERATE IN CIRCUMSTANCES IN WHICH THE BONDS ARE OPTIONALLY REDEEMED PRIOR TO MATURITY. AS SUCH, IF BONDS ARE REFUNDED OR OTHERWISE REDEEMED, THE REBATE MAY BE DUE EARLIER THAN INITIALLY PROJECTED.** In order to accommodate accurate record-keeping and to assure that sufficient amounts will be available for the payment of arbitrage rebate liability, however, we recommend that the computations be performed at least annually. Please refer to other materials provided by McCall, Parkhurst & Horton L.L.P. relating to federal tax rules regarding record retention.

Under the future value method, the amount of rebate is determined by compounding the aggregate earnings on all the investments from the date of receipt by the issuer to the computation date. Similarly, a payment for an investment is future valued from the date that the payment is made to the computation date. The receipts and payments are future valued at a discount rate equal to the yield on the bonds. The rebatable arbitrage, as of any computation date, is equal to the excess of the (1) future value of all receipts from investments (i.e., earnings), over (2) the future value of all payments.

The following example is provided in the regulations to illustrate how arbitrage rebate is computed under the future value method for a fixed-yield bond:

"On January 1, 1994, City A issues a fixed yield issue and invests all the sale proceeds of the issue (\$49 million). There are no other gross proceeds. The issue has a yield of 7.0000 percent per year compounded semiannually (computed on a 30 day month/360 day year basis). City A receives amounts from the investment and immediately expends them for the governmental purpose of the issue as follows:

<u>Date</u>	<u>Amount</u>
2/1/1994	\$ 3,000,000
4/1/1994	5,000,000
6/1/1994	14,000,000
9/1/1994	20,000,000
7/1/1995	10,000,000

City A selects a bond year ending on January 1, and thus the first required computation date is January 1, 1999. The rebate amount as of this date is computed by determining the future value of the receipts and the payments for the investment. The compounding interval is each 6-month (or shorter) period and the 30 day month/360 day year basis is



used because these conventions were used to compute yield on the issue. The future value of these amounts, plus the computation credit, as of January 1, 1999, is:

<u>Date</u>	<u>Receipts (Payments)</u>	<u>FY (7.0000 percent)</u>
1/1/1994	(\$49,000,000)	(\$69,119,339)
2/1/1994	3,000,000	4,207,602
4/1/1994	5,000,000	6,932,715
6/1/1994	14,000,000	19,190,277
9/1/1994	20,000,000	26,947,162
1/1/1995	(1,000)	(1,317)
7/1/1995	10,000,000	12,722,793
1/1/1996	(1,000)	<u>(1,229)</u>
Rebate amount (01/01/1999)		<u>\$878,664"</u>

General Method for Computing Yield on Bonds

In general, the term "yield," with respect to a bond, means the discount rate that when used in computing the present value of all unconditionally due payments of principal and interest and all of the payments for a qualified guarantee produces an amount equal to the issue price of the bond. The term "issue price" has the same meaning as provided in sections 1273 and 1274 of the Code. That is, if bonds are publicly offered (i.e., sold by the issuer to a bond house, broker or similar person acting in the capacity of underwriter or wholesaler), the issue price of each bond is determined on the basis of the initial offering price to the public (not to the aforementioned intermediaries) at which price a substantial amount of such bond was sold to the public (not to the aforementioned intermediaries). The "issue price" is separately determined for each bond (i.e., maturity) comprising an issue.

The regulations also provide varying periods for computing yield on the bonds depending on the method by which the interest payment is determined. Thus, for example, yield on an issue of bonds sold with variable interest rates (i.e., interest rates which are reset periodically based on changes in market) is computed separately for each computation period ending at least on each five-year anniversary of the delivery date that the issue. In effect, yield on a variable yield issue is determined on each computation date by "looking back" at the interest payments for such period.

Yield on a fixed interest rate issue (i.e., an issue of bonds the interest rate on which is determined as of the date of the issue) is computed over the entire term of the issue. Issuers of fixed-yield issues generally use the yield computed as of the date of issue for all rebate computations. The yield on fixed-yield issues must be computed by assuming retirements of principal on a call date earlier than the stated maturity date of a bond if (1) the bond is sold at a substantial premium, it may be retired within five years of the date of delivery, and such date is earlier than its scheduled maturity date, or (2) the issue is a stepped-coupon bond. Similarly, recomputation may occur in circumstances in which the issuer or bondholder modify or waive certain terms of, or rights with respect to, the issue or in sophisticated hedging transactions. **IN SUCH CIRCUMSTANCES, ISSUERS ARE ADVISED TO CONSULT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THESE TRANSACTIONS.**

For purposes of determining the principal or redemption payments on a bond, different rules are used for fixed-rate and variable-rate bonds. The payment is computed separately on each maturity of bonds rather than on the issue as a whole. In certain circumstances, the yield on the bond is determined by assuming that principal on the bond is paid as scheduled and that the bond is retired on the final maturity date for the stated retirement price. For bonds subject to early redemption or stepped-coupon bonds, described above, or for



bonds subject to mandatory early redemption, the yield is computed assuming the bonds are paid on the early redemption date for an amount equal to their value.

Premiums paid to guarantee the payment of debt service on bonds are taken into account in computing the yield on the bond. Payments for guarantees are taken into account by treating such premiums as the payment of interest on the bonds. This treatment, in effect, raises the yield on the bond, thereby permitting the issuer to recover such fee with excess earnings.

The guarantee must be an unconditional obligation of the guarantor enforceable by the bondholder for the payment of principal or interest on the bond or the tender price of a tender bond. The guarantee may be in the form of an insurance policy, surety bond, irrevocable letter or line of credit, or standby purchase agreement. Importantly, the guarantor must be legally entitled to full reimbursement for any payment made on the guarantee either immediately or upon commercially reasonable repayment terms. The guarantor may not be a co-obligor of the bonds or a user of more than 10 percent of the proceeds of the bonds.

Payments for the guarantee may not exceed a reasonable charge for the transfer of credit risk. This reasonable charge requirement is not satisfied unless it is reasonably expected that the guarantee will result in a net present value savings on the bond (i.e., the premium does not exceed the present value of the interest savings resulting by virtue of the guarantee). If the guarantee is entered into after June 14, 1989, then any fees charged for the nonguarantee services must be separately stated or the guarantee fee is not recoverable.

The regulations also treat certain "hedging" transactions in a manner similar to qualified guarantees. "Hedges" are contracts, e.g., interest rate swaps, futures contracts or options, which are intended to reduce the risk of interest rate fluctuations. Hedges and other financial derivatives are sophisticated and ever-evolving financial products with which a memorandum, such as this, cannot readily deal. **IN SUCH CIRCUMSTANCES, ISSUERS ARE ADVISED TO CONSULT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THESE TRANSACTIONS.**

Earnings on Nonpurpose Investments

The arbitrage rebate provisions apply only to the receipts from the investment of "gross proceeds" in "nonpurpose investments." For this purpose, nonpurpose investments are stock, bonds or other obligations acquired with the gross proceeds of the bonds for the period prior to the expenditure of the gross proceeds for the ultimate purpose. For example, investments deposited to construction funds, reserve funds (including surplus taxes or revenues deposited to sinking funds) or other similar funds are nonpurpose investments. Such investments include only those which are acquired with "gross proceeds." For this purpose, the term "gross proceeds" includes original proceeds received from the sale of the bonds, investment earnings from the investment of such original proceeds, amounts pledged to the payment of debt service on the bonds or amounts actually used to pay debt service on the bonds. The regulations do not provide a sufficient amount of guidance to include an exhaustive list of "gross proceeds" for this purpose; however, it can be assumed that "gross proceeds" represent all amounts received from the sale of bonds, amounts earned as a result of such sale or amounts (including taxes and revenues) which are used to pay, or secure the payment of, debt service for the bonds. The total amount of "gross proceeds" allocated to a bond generally cannot exceed the outstanding principal amount of the bonds.

The regulations provide that an investment is allocated to an issue for the period (1) that begins on the date gross proceeds are used to acquire the investment, and (2) that ends on the date such investment ceases to be allocated to the issue. In general, proceeds are allocated to a bond issue until expended for the ultimate purpose for which the bond was issued or for which such proceeds are received (e.g., construction of a bond-financed facility or payment of debt service on the bonds). Deposit of gross proceeds to the general fund of the



issuer (or other fund in which they are commingled with revenues or taxes) does not eliminate or ameliorate the Issuer's obligation to compute rebate in most cases. As such, proceeds commingled with the general revenues of the issuer are not "freed-up" from the rebate obligation. An exception to this commingling limitation for bonds, other than private activity bonds, permits "investment earnings" (but not sale proceeds or other types of gross proceeds) to be considered spent when deposited to a commingled fund if those amounts are reasonably expected to be spent within six months. Other than for these amounts, issuers may consider segregating investments in order to more easily compute the amount of such arbitrage earnings by not having to allocate investments.

Special rules are provided for purposes of advance refundings. These rules are too complex to discuss in this memorandum. Essentially, the rules relating to refundings, however, do not require that amounts deposited to the escrow fund to defease the prior obligations of the issuer be subject to arbitrage rebate to the extent that the investments deposited to the escrow fund do not have a yield in excess of the yield on the bonds. Any loss resulting from the investment of proceeds in an escrow fund below the yield on the bonds, however, may be recovered by combining those investments with investments deposited to other funds, e.g., reserve or construction funds.

The arbitrage regulations also provide an exception to the arbitrage limitations for the investment of bond proceeds in tax-exempt obligations. As such, investment of proceeds in tax exempt bonds eliminates the Issuer's rebate obligation. A caveat; this exception does not apply to gross proceeds derived allocable to a bond, which is not subject to the alternative minimum tax under section 57(a)(5) of the Code, if invested in tax-exempt bonds subject to the alternative minimum tax, i.e., "private activity bonds." Such "AMT-subject" investment is treated as a taxable investment and must comply with the arbitrage rules, including rebate. Earnings from these tax-exempt investments are subject to arbitrage restrictions, including rebate.

Similarly, the investment of gross proceeds in certain tax-exempt mutual funds are treated as a direct investment in the tax-exempt obligations deposited in such fund. While issuers may invest in such funds for purposes of avoiding arbitrage rebate, they should be aware that if "private activity bonds" are included in the fund then a portion of the earnings will be subject to arbitrage rebate. Issuers should be prudent in assuring that the funds do not contain private activity bonds.

The arbitrage regulations provide a number of instances in which earnings will be imputed to nonpurpose investments. Receipts generally will be imputed to investments that do not bear interest at an arm's-length (i.e., market) interest rate. As such, the regulations adopt a "market price" rule. In effect, this rule prohibits an issuer from investing bond proceeds in investments at a price which is higher than the market price of comparable obligations, in order to reduce the yield. Special rules are included for determining the market price for investment contracts, certificates of deposit and certain U.S. Treasury obligations. For example, to establish the fair market value of investment contracts a bidding process between three qualified bidders must be used. The fair market value of certificates of deposit which bear a fixed interest rate and are subject to an early withdrawal penalty is its purchase price if that price is not less than the yield on comparable U.S. Treasury obligations and is the highest yield available from the institution. In any event, a basic "common sense" rule-of-thumb that can be used to determine whether a fair market value has been paid is to ask whether the general funds of the issuer would be invested at the same yield or at a higher yield. An exception to this market price rule is available for United States Treasury Obligations - State or Local Government Series in which case the purchase price is always the market price.

Reimbursement and Working Capital

The regulations provide rules for purposes of determining whether gross proceeds are used for working capital and, if so, at what times those proceeds are considered spent. In general, issuers can finance short-term or long-term working capital with tax-exempt bonds. By adopting a "proceeds-spent-last" rule, the regulations also generally require that an issuer actually incur a deficit (i.e., expenditures must exceed receipts)



for the computation period (which generally corresponds to the issuer's fiscal year in the case of short-term working capital financing). Also, the regulations permit an operating reserve, but unlike prior regulations the amount of such reserve may not exceed five percent of the issuer's actual working capital expenditures for the prior fiscal year. A change was made to the regulations in 2016 allows issuers to finance the operating reserve with proceeds of a tax-exempt obligation. The regulations generally continue the prior regulations' 13-month temporary period for short-term working capital financing.

Long-term working capital financings are beyond the scope of this memorandum. In the event long-term working capital financing is needed, issuers are advised to consult McCall, Parkhurst & Horton L.L.P. to address the federal income tax consequences of these transactions.

Importantly, the regulations contain rules for determining whether proceeds used to reimburse an issuer for costs paid prior to the date of issue of the obligation, in fact, are considered spent at the time of reimbursement. These rules apply to an issuer who uses general revenues for the payment of all or a portion of the costs of a project then uses the proceeds of the bonds to reimburse those general revenues. Failure to comply with these rules would result in the proceeds continuing to be subject to federal income tax restrictions, including rebate.

To qualify for reimbursement, a cost must be described in an expression (e.g., resolution, legislative authorization) evidencing the issuer's intent to reimburse which is made no later than 60 days after the payment of the cost. Reimbursement must occur no later than 18 months after the later of (1) the date the cost is paid or (2) the date the project is placed in service. Except for projects requiring an extended construction period or small issuers, in no event can a cost be reimbursed more than three years after the cost is paid.

Reimbursement generally is not permitted for working capital; only capital costs, grants and loans may be reimbursed. Moreover, certain anti-abuse rules apply to prevent issuers from avoiding the limitations on refundings. **IN CASES INVOLVING WORKING CAPITAL OR REIMBURSEMENT, ISSUERS ARE ADVISED TO CONTACT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THE TRANSACTION.**

Rebate Payments

Rebate payments generally are due 60 days after each installment computation date. The interim computation dates occur each fifth anniversary of the issue date. The final computation date is on the latest of (1) the date 60 days after the date the issue of bonds is no longer outstanding, (2) the date eight months after the date of issue for certain short-term obligations (i.e., obligations retired within three years), or (3) the date the issuer no longer reasonably expects any spending exception, discussed below, to apply to the issue. On such payment dates, other than the final payment date, an issuer is required to pay 90 percent of the rebatable arbitrage to the United States. On the final payment date, an issuer is required to pay 100 percent of the remaining rebate liability.

Failure to timely pay rebate does not necessarily result in the loss of tax-exemption. Late payments, however, are subject to the payment of interest, and unless waived, a penalty of 50 percent (or, in the case of private activity bonds, other than qualified 501(c)(3) bonds, 100 percent) of the rebate amount which is due. **IN SUCH CIRCUMSTANCES, ISSUERS ARE ADVISED TO CONSULT McCALL, PARKHURST & HORTON L.L.P. TO ADDRESS THE FEDERAL INCOME TAX CONSEQUENCES OF THESE TRANSACTIONS.**

Rebate payments are refundable. The issuer, however, must establish to the satisfaction of the Commissioner of the Internal Revenue Service that the issuer paid an amount in excess of the rebate and that the recovery of the overpayment on that date would not result in additional rebatable arbitrage. An overpayment of less than \$5,000 may not be recovered before the final computation date.



Alternative Penalty Amount

In certain cases, an issuer of a bond the proceeds of which are to be used for construction may elect to pay a penalty, in lieu of rebate. The penalty may be elected in circumstances in which the issuer expects to satisfy the two-year spending exception which is more fully described under the heading "Exceptions to Rebate." The penalty is payable, if at all, within 60 days after the end of each six-month period. This is more often than rebate. The election of the alternative penalty amount would subject an issuer, which fails the two-year spend-out requirements, to the payment of a penalty equal to one and one-half of the excess of the amount of proceeds which was required to be spent during that period over the amount which was actually spent during the period.

The penalty has characteristics which distinguish it from arbitrage rebate. First, the penalty would be payable without regard to whether any arbitrage profit is actually earned. Second, the penalty continues to accrue until either (1) the appropriate amount is expended or (2) the issuer elects to terminate the penalty. To be able to terminate the penalty, the issuer must meet specific requirements and, in some instances, must pay an additional penalty equal to three percent of the unexpended proceeds.

Exceptions to Rebate

The Code and regulations provide certain exceptions to the requirement that the excess investment earnings be rebated to the United States.

a. *Small Issuers.* The first exception provides that if an issuer (together with all subordinate issuers) during a calendar year does not issue tax-exempt bonds² in an aggregate face amount exceeding \$5 million, then the obligations are not subject to rebate. *Only issuers with general taxing powers may take advantage of this exception.* Subordinate issuers are those issuers which derive their authority to issue bonds from the same issuer, e.g., a city and a health facilities development corporation, or which are controlled by the same issuer, e.g., a state and the board of a public university. In the case of bonds issued for public school capital expenditures, the \$5 million cap may be increased to as much as \$15 million. For purposes of measuring whether bonds in the calendar year exceed these dollar limits, current refunding bonds can be disregarded if they meet certain structural requirements. Please contact McCall, Parkhurst & Horton L.L.P. for further information.

b. *Spending Exceptions.*

Six-Month Exception. The second exception to the rebate requirement is available to all tax-exempt bonds, all of the gross proceeds of which are expended during six months. The six month rule is available to bonds issued after the effective date of the Tax Reform Act of 1986. See the discussion of effective dates on page two. For this purpose, proceeds used for the redemption of bonds (other than proceeds of a refunding bond deposited to an escrow fund to discharge refunded bonds) cannot be taken into account as expended. As such, bonds with excess gross proceeds generally cannot satisfy the second exception unless the amount does not exceed the lesser of five percent or \$100,000 and such de minimis amount must be expended within one year.

Certain gross proceeds are not subject to the spend-out requirement, including amounts deposited to a bona fide debt service fund, to a reserve fund and amounts which become gross proceeds received from purpose investments. These amounts themselves, however, may be subject to rebate even though the originally expended proceeds were not.

² For this purpose, "private activity bonds" neither are afforded the benefit of this exception nor are taken into account for purposes of determining the amount of bonds issued.



The Code provides a special rule for tax and revenue anticipation notes (i.e., obligations issued to pay operating expenses in anticipation of the receipt of taxes and other revenues). Such notes are referred to as TRANs. To determine the timely expenditure of the proceeds of a TRAN, the computation of the "cumulative cash flow deficit" is important. If the "cumulative cash flow deficit" (i.e., the point at which the operating expenditures of the issuer on a cumulative basis exceed the revenues of the issuer during the fiscal year) occurs within the first six months of the date of issue and must be equal to at least 90 percent of the proceeds of the TRAN, then the notes are deemed to satisfy the exception. This special rule requires, however, that the deficit actually occur, not that the issuer merely have an expectation that the deficit will occur. In lieu of the statutory exception for TRANs, the regulations also provide a second exception. Under this exception, 100 percent of the proceeds must be spent within six months, but before note proceeds can be considered spent, all other available amounts of the issuer must be spent first ("proceeds-spent-last" rule). In determining whether all available amounts are spent, a reasonable working capital reserve equal to five percent of the prior year's expenditures may be set aside and treated as unavailable.

18-Month Exception. The regulations also establish a non-statutory exception to arbitrage rebate if all of the gross proceeds (including investment earnings) are expended within 18 months after the date of issue. Under this exception, 15 percent of the gross proceeds must be expended within a six-month spending period, 60 percent within a 12-month spending period and 100 percent within an 18-month spending period. The rule permits an issuer to rely on its reasonable expectations for computing investment earnings which are included as gross proceeds during the first and second spending period. A reasonable retainage not to exceed five percent of the sale proceeds of the issue is not required to be spent within the 18-month period but must be expended within 30 months. Rules similar to the six-month exception relate to the definition of gross proceeds.

Two Year Exception. Bonds issued after December 19, 1989 (i.e., the effective date of the Omnibus Reconciliation Act of 1989), at least 75 percent of the net proceeds of which are to be used for construction, may be exempted from rebate if the gross proceeds are spent within two years. Bonds more than 25 percent of the proceeds of which are used for acquisition or working capital may not take advantage of this exception. The exception applies only to governmental bonds, qualified 501(c)(3) bonds and private activity bonds for governmentally-owned airports and docks and wharves. The two-year exception requires that at least 10 percent of the available construction proceeds must be expended within six months after the date of issue, 45 percent within 12 months, 75 percent within 18 months and 100 percent within 24 months. The term "available construction proceeds" generally means sale proceeds of the bonds together with investment earnings less amounts deposited to a qualified reserve fund or used to pay costs of issuance. Under this rule, a reasonable retainage not to exceed five percent need not be spent within 24 months but must be spent within 36 months.

The two-year rule also provides for numerous elections which must be made not later than the date of issuance of the bonds. Once made, the elections are irrevocable. Certain elections permit an issuer to bifurcate bond issues, thereby treating only a portion of the issue as a qualified construction bond; and, permit an issuer to disregard earnings from reserve funds for purposes of determining "available construction proceeds." Another election permits an issuer to pay the alternative penalty amount discussed above in lieu of rebate if the issuer ultimately fails to satisfy the two-year rule. Issuers should discuss these elections with their financial advisors prior to issuance of the bonds. Of course, McCall, Parkhurst & Horton L.L.P. remains available to assist you by providing legal interpretations thereof.

Debt Service Funds. Additionally, an exception to the rebate requirement, whether or not any of the previously discussed exceptions are available, applies for earnings on "bona fide debt service funds." A "bona fide debt service fund" is one in which the amounts are expended within 13 months of the accumulation of such amounts by the issuer. In general, most interest and sinking funds (other than any excess taxes or revenues accumulated therein) satisfy these requirements. For private activity bonds, short term bonds (i.e.,



have a term of less than five years) or variable rate bonds, the exclusion is available only if the gross earnings in such fund does not exceed \$100,000, for the bond year. For other bonds issued after November 11, 1988, no limitation is applied to the gross earnings on such funds for purposes of this exception. Therefore, subject to the foregoing discussion, the issuer is not required to take such amounts into account for purposes of the computation.

Conclusion

McCall, Parkhurst & Horton L.L.P. hopes that this memorandum will prove to be useful as a general guide to the arbitrage rebate requirements.

Again, this memorandum is not intended as an exhaustive discussion nor as specific advice with respect to any specific transaction. We advise our clients to seek competent financial and accounting assistance. Of course, we remain available to provide legal advice regarding all federal income tax matters, including arbitrage rebate. If you have any questions, please feel free to contact either Harold T. Flanagan or Stefano Taverna at (214) 754-9200.

EXHIBIT "B"

January 1, 2018

**Certain Federal Income Tax Considerations for
Private Business Use of Bond-Financed Facilities**

This memorandum provides a general discussion of those types of contractual arrangements which give rise to private business use, and to what extent that use rises to a prohibited level. Generally, in order for bonds issued by governmental units to be tax-exempt, no more than a de minimis amount of the proceeds of the bonds or the facilities financed with such proceeds may be used by non-governmental users. That is, there may be no more than an incidental use by persons, other than state or local governments. Too much private business use can cause the bonds to become taxable. Private business use for this purpose can be direct or can result from indirect benefits being conveyed to a private person by contractual arrangement. The following discussion describes, in general terms, those types of arrangements which need to be scrutinized.

We hope that this general guideline will be useful to you in interacting with private parties regarding the use of bond proceeds or bond-financed facilities. While the statements contained herein are not intended as advice with regard to any specific transaction, McCall, Parkhurst & Horton L.L.P. remains available should you have questions about these rules. Any tax advice contained in this memorandum, including any attachments, was not intended or written to be used for the purpose of avoiding federal tax related penalties or promoting, marketing or recommending to another party any transaction or matter addressed herein. If you have any specific questions or comments, please feel free to contact Stefano Taverna or Harold T. Flanagan at (214) 754-9200.

I. Private Business Use

Arrangements that involve use in a trade or business by a nongovernmental person of bond proceeds or facilities financed with bond proceeds may cause a "private business use" problem. Bond-financed facilities may be used by a variety of people with differing consequences under these rules. For example, students, teachers, employees and the general public may use bond-financed facilities on a non-exclusive basis without constituting private business use. More problematic, however, is use of bond-financed facilities by groups such as managers, lessees (e.g., book store owners), persons providing services (e.g., food or cleaning), seminar groups, sports and entertainment groups, and even alumni associations. The benefits also may be considered to pass to a private person where the right to the output produced by the facility is transferred. For this purpose, the federal government is considered a non-governmental person. Use by an organization organized under section 501(c)(3) of the Internal Revenue Code in a trade or business unrelated to the exempt purpose of such organization also is considered use by a private person.

The term "use" includes both actual and beneficial use. As such, private business use may arise in a variety of ways. For example, ownership of a bond-financed facility by a non-governmental person is private business use. The leasing of a bond-financed facility by a non-governmental person can also cause a private business use problem. Along the same line,



management of such facilities by a non-governmental person can cause a problem with private business use, absent compliance with the management contract rules discussed below. Essentially, such use can occur in connection with any arrangement in which the non-governmental user has a preference to benefit from the proceeds or the facilities. Therefore, any arrangement which results in a non-governmental person being the ultimate beneficiary of the bond financing must be considered.

1. Sales and Leases. The sale of a bond-financed facility to a non-governmental person would cause a private business use problem if that facility involved the use of more than 10 percent of the bond proceeds. Since state law often prohibits a governmental issuer from lending credit, this circumstance generally does not occur. Leases, however, also could be a problem because such arrangements grant a possessory interest in the facility which results in the lessee receiving a right to use the facility which is superior to members of the general public.

2. Management Contracts. Having a private manager will give rise to private business use unless certain terms of the management agreement demonstrate that beneficial use has not been passed to the manager. These factors relate to the compensation arrangements, contract term, cancellation provisions, and the relationship of the parties.

The tax rules provide that a contract that satisfies certain requirements is treated as a contract that does not give rise to private use of facilities financed with tax-exempt bonds (“Qualified Contract”). Additionally, certain arrangements that qualify as an eligible expense reimbursement arrangement do not give rise to private use.

A Qualified Contract is one that meets **all** of the following requirements:

- i. Compensation paid to the private manager must be reasonable;
- ii. The private manager cannot receive a share of “net profits” from the operation of the managed property;
- iii. The private manager cannot share in the net losses resulting from the operation of the managed property;
- iv. The contract’s term cannot exceed 30 years or 80 percent of the weighted average reasonably expected economic life of the managed property, if less;
- v. The governmental owner must exercise a significant degree of control over the actual use of the managed property;
- vi. The governmental owner must retain the risk of loss (for example, in cases of catastrophic events); and
- vii. The private manager cannot take an inconsistent tax position from the position taken by the governmental owner nor can it retain substantial ability to limit the governmental owner’s control rights.

Various factors must be evaluated when drafting a contract to ensure it meets this new safe-harbor, including the eligibility for, the amount of, and the timing of, compensation payments to the private manager, as well as the amount and contingency of, and the timing of operational losses borne by the private manager. Penalties for the inability to meet certain benchmarks are allowed, so long as they are determinable in a stated dollar amount, or a multiple thereof. Similarly, incentive compensations or bonuses are permissible, even if measured against



standards of quality of services, performance or productivity, so long as they are not based on the net profits from the management of the bond financed property.

An owner's control is significant so long as it retains control over the budget, the type of expenditures, dispositions of bond financed property and control over the general nature and type of use of those assets.

The tax rules also provide owner's flexibility when structuring compensation arrangements with private managers (which could include fixed, per capita, per unit or any other variable compensation arrangement and terms that could be as long as 30 years), as long as the term of the contract does not exceed the allowable term, including all renewal options, the owner retains significant controls over the venture, the compensation is reasonable and there is no sharing of net profit or net losses with the private manger.

3. Cooperative Research Agreements. A cooperative research agreement with a private sponsor whereby the private party uses bond-financed facilities may cause a private business use problem. Nevertheless, such use of a bond-financed facility by a non-governmental person is to be disregarded for purposes of private business use if the arrangement is in one of the following forms. First, the arrangement may be disregarded if the sponsoring party is required to pay a competitive price for any license or other use of resulting technology, and such price must be determined at the time the technology is available. Second, an arrangement may also qualify if a four-part requirement is met: (1) multiple, unrelated industry sponsors must agree to fund university-performed basic research; (2) the university must determine the research to be performed and the manner in which it is to be performed; (3) the university must have exclusive title to any patent or other product incidentally resulting from the basic research; and (4) sponsors must be limited to no more than a nonexclusive, royalty-free license to use the product of any such research.

4. Output Contracts. In some circumstances, private business use arises by virtue of contractual arrangements in which a governmental unit agrees to sell the output from a bond-financed facility to a non-governmental person. If the non-governmental person is obligated to take the output or to pay for output even if not taken, then private business use will arise. This is because the benefits and burdens of the bond-financed facility are considered as inuring to the non-governmental purchaser. In addition to the general rule, output-type facilities, including electric and gas generation, transmission and related facilities (but not water facilities) are further limited in the amount of private business use which may be permitted. If more than 5 percent of the proceeds are used for output facilities and if more than 10 percent of the output is sold pursuant to an output arrangement, then the aggregate private business use which may result (for all bond issues) is \$15,000,000.

II. How Much Private Business Use is Too Much?

In general, there is too much private business use if an amount in excess of 10 percent of the proceeds of the bond issue are to be used, directly or indirectly, in a trade or business carried on by persons other than governmental units, and other than as members of the general public. All trade or business use by persons on a basis different than that of the general public is aggregated for the 10 percent limit. Private business use is measured on a facility or bond issue basis. On a facility basis, such use is generally measured by relative square footage, fair market rental value or the percentage of cost allocable to the private use. On a bond issue basis, the proceeds of the bond issue are allocated to private and governmental (or public) use of the



facility to determine the amount of private business use over the term of the bond issue. Temporary use is not necessarily "bad" (i.e., private use) even though it results in more than 10 percent of the facility being so used. For example, if 100 percent of a facility is used for a period equal to five percent of the term of the bond such use may not adversely impact the bonds. The question is whether the benefits and burdens of ownership have transferred to the private user, as in the case of a sale, lease or management contract. If these benefits and burdens have not transferred, such use may be disregarded for purposes of private business use. In no event should private business use exceed \$15,000,000.

In addition, if the private use is considered "unrelated or disproportionate" to the governmental purpose for issuance of the bonds, the private business use test is met if the level of the prohibited private use rises to 5 percent. The "unrelated" question turns on the operational relationship between the private use and use for the governmental purpose. In most cases, a related use facility must be located within or adjacent to the related governmental facility, e.g., a privately-operated school cafeteria would be related to the school in which it is located. Whereas, the use of a bond-financed facility as an administrative office building for a catering company that operates cafeterias for a school system would not be a related use of bond proceeds. Nonetheless, even if a use is related, it is disproportionate to the extent that bond proceeds used for the private use will exceed proceeds used for the related governmental use.

III. When are the tests applied to analyze the qualification of a bond?

A bond is tested both (1) on the date of issue, and (2) over the term. The tests are applied to analyze the character of the bond on the date of issue, based on how the issuer expects to use the proceeds and the bond-financed property. This is known as the "**reasonable expectations**" standard. The tests also continuously are applied during the term of the bonds to determine whether there has been a deviation from those expectations. This is known as the "**change of use**" standard. When tested, bonds are viewed on an "issue-by-issue" basis. Generally, bonds secured by the same sources of funds are part of the same "issue" if they are sold within 15 days of one another.

IV. What is the reasonable expectations standard?

The reasonable expectations standard will be the basis on which McCall, Parkhurst & Horton L.L.P., as bond counsel, will render the federal income tax opinion on the bonds. The statement of expectations will be incorporated into the Federal Tax Certificate, previously referred to as the Federal Tax Certificate. The certificate also will contain information about the amounts to be expended on different types of property, e.g., land, buildings, equipment, in order to compute a weighted useful life of the bond-financed property. Based on the information on useful life, the maximum weighted average maturity of the bonds tested to ensure that is restricted to no more than 120 percent of the useful life of the property being financed or refinanced.

V. Change of Use Standard.

The disqualified private business use need not exist on the date of issue. Subsequent use by non-governmental persons also can cause a loss of tax-exemption. Post-issuance "change of use" of bond-financed facilities could result in the loss of the tax-exempt status of the bonds, unless certain elements exist which demonstrate the change was unforeseen. For this purpose, a change in use includes a failure to limit private business use subsequent to the date of issuance of the bonds. A reasonable expectation element requires that, as of the date of issue of the bonds, the governmental unit reasonably have expected to use the proceeds of the issue for qualified



facilities for the entire term of the issue. To fall within the safe harbor rules which avoid loss of tax-exempt status the governmental unit must assure that no circumstances be present which indicate an attempt to avoid directly or indirectly the requirements of federal income tax law.

Finally, the safe harbor requires that the governmental unit take remedial action that would satisfy one of the following provisions: redemption of bonds; alternative use of disposition proceeds of a facility that is financed by governmental bonds; or, alternative use of a facility that is financed by governmental bonds. For purposes of the latter two remedial action provisions, the governmental unit has 90 days from the date of the change of use to satisfy the requirements. In addition, there is an exception for small transactions for dispositions at a loss.

VI. Written Procedures.

Each governmental issuer should establish written procedures to assure continuing compliance with the private use and arbitrage limitations imposed by the Code. Moreover, the Internal Revenue Service ("IRS") is asking issuers to state in a bond issue's informational return (such as an 8038-G) whether such post-issuance procedures have been adopted. The federal tax certificate, together with the attached memoranda and bond covenants can be supplemented by standard written practices adopted by the executive officer or legislative bodies of the issuer. Accordingly, our firm is prepared to advise you with respect to additional practices which we believe would be beneficial in monitoring compliance and taking remedial action in cases of change in use. There is no standard uniform practice for all issuers to adopt because each issuer operates in unique fashion. However, if you wish us to assist you in developing practices which might assist you in complying with the viewpoints expressed by the IRS and its personnel, please contact your bond lawyer at McCall, Parkhurst & Horton LLP.

Exhibit "C"

September 2, 2020

Mr. Shean Dalton
General Manager
Brushy Creek Municipal Utility District
16318 Great Oaks Drive
Round Rock, Texas 78681

Re: Brushy Creek Municipal Utility District
Unlimited Tax Refunding Bonds, Series 2020A

Ladies and Gentlemen:

As you know, the Brushy Creek Municipal Utility District (the "Issuer") will issue the captioned bonds in order to provide for the refunding, in advance of their maturities, of portions of bonds previously issued by the Issuer. As a result of that issuance, the federal income tax laws impose certain restrictions on the investment and expenditure of amounts to be used for the projects or to be deposited to the interest and sinking fund for the captioned bonds. The purpose of this letter is to set forth, in somewhat less technical language, those provisions of the tax law which require the timely use of bond proceeds and that investment of these amounts be at a yield which is not higher than the yield on the captioned bonds. Please note that the Form 8038-G has been prepared based on the information provided by or on your behalf by your financial advisor. Accordingly, while we believe that the information is correct you may wish to have the yield confirmed before your rebate consultant or the paying agent attempt to rely on it.

The Issuer has determined that there are no unexpended original and investment proceeds of the outstanding bonds deposited to the construction fund.

Generally, the federal tax laws provide that, unless excepted, amounts to be used for the projects or to be deposited to the interest and sinking fund must be invested in obligations the combined yield on which does not exceed the yield on the bonds. For this purpose, please refer to line 21(e) of the Form 8038 G included in the transcript of proceedings for the yield. Importantly, for purposes of administrative convenience, the bonds, however, have been structured in such a way as to avoid, for the most part, this restriction on investment yield. As such, for analytical purposes only, we have segregated the interest and sinking fund into three separate accounts. This does not require that you segregate monies deposited to the interest and sinking fund into those accounts, but you should keep in mind the limitations imposed on each of those hypothetical accounts. They also contain certain covenants relating to expenditures of proceeds designed to alert you to unintentional failures to comply with the laws affecting expenditures of proceeds and dispositions of property.

First, the interest and sinking fund is made up of taxes which are levied annually for the payment of current debt service on all the Issuer's outstanding bonds. Any taxes deposited to the interest and sinking fund which are to be used for the payment of current debt service on the captioned bonds, or any other outstanding bonds, are not subject to yield restriction. By definition, current debt service refers only to debt service to be paid within one year of the date of receipt of the taxes. For the most part, this would be debt service in the current fiscal year. These amounts deposited to the account for current debt service may be invested without regard to any constraint imposed by the federal income tax laws.



Second, the interest and sinking fund contains an amount of taxes, which although not expended for debt service within the current year, are necessary to ensure that amounts will be sufficient to pay debt service in the event that taxes are insufficient during that period. This amount, commonly referred to as "coverage," represents a reserve account against periodic fluctuations in the receipt of tax revenues. The Internal Revenue Code permits amounts which are held in reserve for the payment of debt service, in such instances, to be invested without regard to yield restriction if such amounts do not exceed the lesser of (1) 10 percent of the outstanding principal amount of all outstanding bonds, (2) maximum annual debt service on all outstanding bonds, or (3) 125 percent of average annual debt service on all outstanding bonds.

Third, a portion of the interest and sinking fund is permitted to be invested without regard to yield restriction as a "minor portion." The "minor portion" exception is available for de minimis amounts of taxes deposited to the interest and sinking fund. The maximum amount that may be invested as part of this account may not exceed the lesser of five percent of the principal amount of the bonds or \$100,000.

Accordingly, you should review the current balance in the interest and sinking fund in order to determine if such balance exceeds the aggregate amount of these three accounts. Additionally, in the future it is important that you be aware of these accounts as additional amounts are deposited to the interest and sinking fund. The amounts which are subject to yield restriction would only be the amounts which are in excess of the sum of (1) the current debt service account, (2) the reserve account, and (3) the "minor portion" account. Moreover, to the extent that additional bonds are issued by the Issuer, whether for new money projects or for refunding, these amounts will change in their proportion.

As of January 1, 2018, tax-exempt bonds cannot be issued to advance refund another bond. While certain exceptions may apply, an advance refunding bond is one the proceeds of which are generally used to pay principal, interest or premium on another issue of bonds more than 90 days after the issue date of the refunding bond. **The Issuer should not use any proceeds of the bonds for the payment of principal, interest or premium on another issue of bonds without first discussing with Bond Counsel.**

The Order contains covenants that require the Issuer to comply with the requirements of the federal tax laws relating to the tax-exempt obligations. The Internal Revenue Service (the "Service") has determined that certain materials, records and information should be retained by the issuers of tax-exempt obligations for the purpose of enabling the Service to confirm the exclusion of the interest on such obligations under the Internal Revenue Code. **Accordingly, the Issuer should retain such materials, records and information for the periods beginning on the respective issue date of the outstanding bonds, or, in the case of a sequence of refundings, the issue date of the obligations originally financing the refinanced projects and ending three years after the date the captioned bonds are retired. Please note this federal tax law standard may vary from state law standards.** The material, records and information required to be retained will generally be contained in the transcript of proceedings for the captioned bonds, however, the Issuer should collect and retain additional materials, records and information to ensure the continued compliance with federal tax law requirements. For example, beyond the transcript of proceedings for the bonds, the Issuer should keep schedules evidencing the expenditure of bond proceeds, documents relating to the use of bond-financed property by governmental and any private parties (e.g., leases and management contracts, if any) and schedules pertaining to the investment of bond proceeds. In the event that you have questions relating to record retention, please contact us.

The Service also wants some assurance that any failure to comply with the federal tax laws was not due to an issuer's intentional disregard or gross neglect of the responsibilities imposed on it by the federal tax laws. Therefore, to ensure post-issuance compliance, an issuer should consider adopting formalized written guidelines to help the issuer perform diligence reviews at regular intervals. The goal is for issuers to be able to timely identify and resolve violations of the laws necessary to maintain their obligations' tax-favored status. While the federal tax certificate, together with its attachments, may generally provide a basic written guideline when



incorporated in an organizations' operations, the extent to which an organization has appropriate written compliance procedures in place is to be determined on a case-by-case basis. Moreover, the Service has indicated that written procedures should identify the personnel that adopted the procedures, the personnel that is responsible for monitoring compliance, the frequency of compliance check activities, the nature of the compliance check activities undertaken, and the date such procedures were originally adopted and subsequently updated, if applicable. The Service has stated that the adoption of such procedures will be a favorable factor that the Service will consider when determining the amount of any penalty to be imposed on an issuer in the event of an unanticipated and non-curable failure to comply with the tax laws.

Finally, you should notice that the Order contains a covenant that limits the ability of the Issuer to sell or otherwise dispose of bond-financed property for compensation. Beginning for obligations issued after May 15, 1997 (including certain refunding bonds), or in cases in which an issuer elects to apply new private activity bond regulations, such sale or disposition causes the creation of a class of proceeds referred to as "disposition proceeds." Disposition proceeds, like sale proceeds and investment earnings, are tax-restricted funds. Failure to appropriately account, invest or expend such disposition proceeds would adversely affect the tax-exempt status of the bonds. In the event that you anticipate selling property, even in the ordinary course, please contact us.

Obviously, this letter only presents a fundamental discussion of, among other tax rules, the yield restriction rules as applied to amounts deposited to the interest and sinking fund. This letter does not address the rebate consequences with respect to the interest and sinking fund and you should review the memorandum attached to the Federal Tax Certificate as Exhibit "A" for this purpose. If you have certain concerns with respect to the matters discussed in this letter or wish to ask additional questions with regards to certain limitations imposed, please feel free to contact our firm. Thank you for your consideration and we look forward to our continued relationship.

Very truly yours,

McCALL, PARKHURST & HORTON L.L.P.

cc: Ms. Carol D. Polumbo
Ms. Jacqueline E. Hale

Exhibit "D"

ISSUE PRICE CERTIFICATE

The undersigned, as the duly authorized representative of BOK Financial Securities, Inc. (the "Purchaser"), with respect to the Unlimited Tax Refunding Bonds, Series 2020A issued by the Brushy Creek Municipal Utility District (the "Issuer") in the principal amount of \$5,600,000 (the "Bonds"), hereby certifies, based on its records and information, as follows:

The first price at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms (a "Maturity") was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter (the "Public") is set forth in the final Official Statement relating to the Bonds.

A copy of the pricing wire or equivalent communication for the Bonds is attached to this Certificate as Schedule A.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this September 30, 2020.

BOK FINANCIAL SECURITIES, INC., as
Underwriter

By: 

Name: Will Harper

SCHEDULE A
PRICING WIRE OR EQUIVALENT COMMUNICATION
(Attached)

Wires

Branch Copy - Forwarded by BOK Fin Sec - TX

Rec'd Date/Time (CST)	Sender	ST	Wire Type/Title	Master Message #	Deal Type
09/03/20 07:26 AM	BOK Fin Sec	TX	FINAL PRICING WIRE		Neg

RE: \$ 5,600,000

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

(A Political Subdivision of the State of Texas Located within Williamson County, Texas)
UNLIMITED TAX REFUNDING BONDS, SERIES 2020APOS URL: [https://delivery.i-](https://delivery.i-dealprospectus.com/asp/external/MlpJTUM4TE14V2Qyc11hdGVETDlYUmp5ZWtSSUlTdGk)[dealprospectus.com/asp/external/MlpJTUM4TE14V2Qyc11hdGVETDlYUmp5ZWtSSUlTdGk](https://delivery.i-dealprospectus.com/asp/external/MlpJTUM4TE14V2Qyc11hdGVETDlYUmp5ZWtSSUlTdGk)

FINAL PRICING WIRE; TICKET WILL BE THIS MORNING AT 10AM CST.

MOODY'S:

S&P: AA

AA- Stable

FITCH:

KROLL:

Assured Guaranty Municipal Corp. Insured

DATED:09/01/2020 FIRST COUPON:12/01/2020

DUE: 06/01

INITIAL TRADE DATE: 09/03/2020 @ 11:00AM Eastern

MATURITY	AMOUNT	COUPON	PRICE	ADD'L TAKEDOWN (Pts)	CUSIP
06/01/2024	615M	2.00%	0.64	3/8	117464UE5
			(Approx. \$ Price 104.924)		
06/01/2025	1,550M	2.00%	0.74	3/8	117464UF2
			(Approx. \$ Price 105.772)		
06/01/2027	1,685M	4.00%	1.09	1/2	117464UG0
			(Approx. \$ Price 118.669)		
06/01/2028	1,750M	3.00%	1.25	1/2	117464UH8
			(Approx. \$ Price 112.759)		

CALL FEATURES: No optional call

The compliance addendum MSRB Rule G-11 will apply.

The Award is final for Wednesday, September 2, 2020 at 4:00PM Eastern .

Delivery is firm for Wednesday, September 30, 2020.

This issue is book entry only. This issue is clearing through DTC.

A reasonable number of preliminary statements are available from i-DEAL Prospectus by emailing ipreodocuments@ipreo.com, calling (212)849-5024 or faxing at (212)404-8152.

Award: 09/02/2020
Award Time: 4:00PM Eastern
Delivery: 09/30/2020 (Firm)
Initial trade: 09/03/2020
Date of Execution: 09/03/2020
Time of Execution: 11:00AM Eastern

BOK Financial Securities, Inc.

By: BOK Financial Securities, Inc. Richardson, TX

[Terms and Conditions of Use and Privacy Statement](#)

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Exhibit "E"

SCHEDULES OF FINANCIAL ADVISOR

[To be attached hereto]

REFUNDING EFFECTS

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Date	Outstanding Debt Service (1)	Less: Refunded Debt Service (1)	Plus: New Principal	Plus: New Interest	Total Debt Service	Savings (2)
12/31/2020	380,389	98,738		40,800	322,451	49,084
12/31/2021	3,239,913	212,250		163,200	3,190,863	49,050
12/31/2022	3,241,038	211,800		163,200	3,192,438	48,600
12/31/2023	3,247,288	211,350		163,200	3,199,138	48,150
12/31/2024	3,248,663	870,850	615,000	157,050	3,149,863	98,800
12/31/2025	3,249,194	1,786,050	1,550,000	135,400	3,148,544	100,650
12/31/2026	3,254,050	126,525		119,900	3,247,425	6,625
12/31/2027	3,255,288	1,870,463	1,685,000	86,200	3,156,025	99,263
12/31/2028	3,252,125	1,872,200	1,750,000	26,250	3,156,175	95,950
12/31/2029	649,838				649,838	
	27,017,782	7,260,225	5,600,000	1,055,200	26,412,757	596,172



SOURCES AND USES OF FUNDS

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Dated Date 09/01/2020
Delivery Date 09/30/2020

Sources:

Bond Proceeds:	
Par Amount	5,600,000.00
Accrued Interest	13,146.67
Premium	657,603.75
	<hr/>
	6,270,750.42
Other Sources of Funds:	
Debt Service Fund Transfer	22,000.00
	<hr/>
	6,292,750.42
	<hr/> <hr/>

Uses:

Refunding Escrow Deposits:	
Cash Deposit	0.35
SLGS Purchases	6,077,808.00
	<hr/>
	6,077,808.35
Other Fund Deposits:	
Accrued Interest	13,146.67
Cost of Issuance:	
Bond Counsel	56,000.00
Financial Advisor	56,000.00
Rating	13,175.00
Verification Agent	2,500.00
Paying Agent	2,000.00
Escrow Agent	1,000.00
Call Fee	500.00
Printing	3,000.00
Miscellaneous	7,000.00
Attorney General Fee	5,600.00
	<hr/>
	146,775.00
Delivery Date Expenses:	
Underwriter's Discount	42,473.75
Bond Insurance (AGM)	11,446.94
	<hr/>
	53,920.69
Other Uses of Funds:	
Additional Proceeds	1,099.71
	<hr/>
	6,292,750.42
	<hr/> <hr/>

SUMMARY OF REFUNDING RESULTS

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Dated Date	09/01/2020
Delivery Date	09/30/2020
Arbitrage yield	1.083963%
Escrow yield	0.090236%
Value of Negative Arbitrage	10,195.41
Bond Par Amount	5,600,000.00
True Interest Cost	1.205095%
Effective Interest Cost	1.051485%
Net Interest Cost	1.304774%
All-In TIC	1.631420%
Average Coupon	3.049270%
Average Life	6.099
Weighted Average Maturity	6.151
Duration	5.651
Par amount of refunded bonds	5,980,000.00
Average coupon of refunded bonds	3.358691%
Average life of refunded bonds	6.049
Remaining weighted average maturity of refunded bonds	6.063
PV of prior debt to 09/30/2020 @ 1.631420%	6,635,373.50
Net PV Savings	557,565.15
Percentage savings of refunded bonds	9.323832%
Percentage savings of refunding bonds	9.956521%

BOND SUMMARY STATISTICS

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Dated Date	09/01/2020
Delivery Date	09/30/2020
Last Maturity	06/01/2028
Arbitrage Yield	1.083963%
True Interest Cost (TIC)	1.205095%
Net Interest Cost (NIC)	1.304774%
All-In TIC	1.631420%
Average Coupon	3.049270%
Average Life (years)	6.099
Duration of Issue (years)	5.651
Par Amount	5,600,000.00
Bond Proceeds	6,270,750.42
Total Interest	1,055,200.00
Net Interest	440,070.00
Total Debt Service	6,655,200.00
Maximum Annual Debt Service	1,776,250.00
Average Annual Debt Service	866,041.00
Underwriter's Fees (per \$1000)	
Average Takedown	4.516741
Management Fee	1.000000
Other Fee	2.067857
Total Underwriter's Discount	7.584598
Bid Price	110.984464

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bond	5,600,000.00	111.743	3.049%	6.099
	5,600,000.00			6.099

	TIC	All-In TIC	Arbitrage Yield
Par Value	5,600,000.00	5,600,000.00	5,600,000.00
+ Accrued Interest	13,146.67	13,146.67	13,146.67
+ Premium (Discount)	657,603.75	657,603.75	657,603.75
- Underwriter's Discount	-42,473.75	-42,473.75	
- Cost of Issuance Expense		-146,775.00	
- Other Amounts	-11,446.94	-11,446.94	-11,446.94
Target Value	6,216,829.73	6,070,054.73	6,259,303.48
Target Date	09/30/2020	09/30/2020	09/30/2020
Yield	1.205095%	1.631420%	1.083963%

SAVINGS

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Date	Prior Debt Service	Prior Receipts	Prior Net Cash Flow	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 09/30/2020 @ 1.6314197%
12/31/2020	98,737.50	22,000.00	76,737.50	40,800.00	13,146.67	27,653.33	49,084.17	48,924.88
12/31/2021	212,250.00		212,250.00	163,200.00		163,200.00	49,050.00	48,384.01
12/31/2022	211,800.00		211,800.00	163,200.00		163,200.00	48,600.00	47,168.03
12/31/2023	211,350.00		211,350.00	163,200.00		163,200.00	48,150.00	45,978.68
12/31/2024	870,850.00		870,850.00	772,050.00		772,050.00	98,800.00	92,987.54
12/31/2025	1,786,050.00		1,786,050.00	1,685,400.00		1,685,400.00	100,650.00	93,271.41
12/31/2026	126,525.00		126,525.00	119,900.00		119,900.00	6,625.00	6,017.55
12/31/2027	1,870,462.50		1,870,462.50	1,771,200.00		1,771,200.00	99,262.50	89,025.02
12/31/2028	1,872,200.00		1,872,200.00	1,776,250.00		1,776,250.00	95,950.00	84,708.33
	7,260,225.00	22,000.00	7,238,225.00	6,655,200.00	13,146.67	6,642,053.33	596,171.67	556,465.44

Savings Summary

PV of savings from cash flow	556,465.44
Plus: Refunding funds on hand	1,099.71
Net PV Savings	<u>557,565.15</u>



BOND PRICING

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Premium (-Discount)	Takedown
Serial Bond:							
	06/01/2024	615,000	2.000%	0.640%	104.924	30,282.60	3.750
	06/01/2025	1,550,000	2.000%	0.740%	105.772	89,466.00	3.750
	06/01/2027	1,685,000	4.000%	1.090%	118.669	314,572.65	5.000
	06/01/2028	1,750,000	3.000%	1.250%	112.759	223,282.50	5.000
		5,600,000				657,603.75	

Dated Date	09/01/2020	
Delivery Date	09/30/2020	
First Coupon	12/01/2020	
Par Amount	5,600,000.00	
Premium	657,603.75	
Production	6,257,603.75	111.742924%
Underwriter's Discount	-42,473.75	-0.758460%
Purchase Price	6,215,130.00	110.984464%
Accrued Interest	13,146.67	
Net Proceeds	6,228,276.67	

COST OF ISSUANCE

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Cost of Issuance	\$/1000	Amount
Bond Counsel	10.00000	56,000.00
Financial Advisor	10.00000	56,000.00
Rating	2.35268	13,175.00
Verification Agent	0.44643	2,500.00
Paying Agent	0.35714	2,000.00
Escrow Agent	0.17857	1,000.00
Call Fee	0.08929	500.00
Printing	0.53571	3,000.00
Miscellaneous	1.25000	7,000.00
Attorney General Fee	1.00000	5,600.00
	26.20982	146,775.00

UNDERWRITER'S DISCOUNT

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Underwriter's Discount	\$/1000	Amount
Average Takedown	4.51674	25,293.75
Management Fee	1.00000	5,600.00
Expenses	0.55000	3,080.00
Underwriter's Counsel	1.51786	8,500.00
	7.58460	42,473.75

BOND DEBT SERVICE

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Dated Date 09/01/2020
 Delivery Date 09/30/2020

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2020			40,800	40,800	
12/31/2020					40,800
06/01/2021			81,600	81,600	
12/01/2021			81,600	81,600	
12/31/2021					163,200
06/01/2022			81,600	81,600	
12/01/2022			81,600	81,600	
12/31/2022					163,200
06/01/2023			81,600	81,600	
12/01/2023			81,600	81,600	
12/31/2023					163,200
06/01/2024	615,000	2.000%	81,600	696,600	
12/01/2024			75,450	75,450	
12/31/2024					772,050
06/01/2025	1,550,000	2.000%	75,450	1,625,450	
12/01/2025			59,950	59,950	
12/31/2025					1,685,400
06/01/2026			59,950	59,950	
12/01/2026			59,950	59,950	
12/31/2026					119,900
06/01/2027	1,685,000	4.000%	59,950	1,744,950	
12/01/2027			26,250	26,250	
12/31/2027					1,771,200
06/01/2028	1,750,000	3.000%	26,250	1,776,250	
12/31/2028					1,776,250
	5,600,000		1,055,200	6,655,200	6,655,200

SUMMARY OF BONDS REFUNDED

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
U/L Tax Ref Bds Ser 2013, 2013:					
Term Bond, TERM	06/01/2021	3.000%	15,000.00	12/01/2020	100.000
	06/01/2022	3.000%	15,000.00	12/01/2020	100.000
	06/01/2023	3.000%	15,000.00	12/01/2020	100.000
	06/01/2024	3.000%	685,000.00	12/01/2020	100.000
Serial Bond #2, SERIAL02	06/01/2025	3.000%	1,635,000.00	12/01/2020	100.000
Serial Bond #3, SERIAL03	06/01/2027	3.500%	1,775,000.00	12/01/2020	100.000
	06/01/2028	3.500%	1,840,000.00	12/01/2020	100.000
			5,980,000.00		

PRIOR BOND DEBT SERVICE

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Period Ending	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/01/2020			98,737.50	98,737.50	
12/31/2020					98,737.50
06/01/2021	15,000	3.000%	98,737.50	113,737.50	
12/01/2021			98,512.50	98,512.50	
12/31/2021					212,250.00
06/01/2022	15,000	3.000%	98,512.50	113,512.50	
12/01/2022			98,287.50	98,287.50	
12/31/2022					211,800.00
06/01/2023	15,000	3.000%	98,287.50	113,287.50	
12/01/2023			98,062.50	98,062.50	
12/31/2023					211,350.00
06/01/2024	685,000	3.000%	98,062.50	783,062.50	
12/01/2024			87,787.50	87,787.50	
12/31/2024					870,850.00
06/01/2025	1,635,000	3.000%	87,787.50	1,722,787.50	
12/01/2025			63,262.50	63,262.50	
12/31/2025					1,786,050.00
06/01/2026			63,262.50	63,262.50	
12/01/2026			63,262.50	63,262.50	
12/31/2026					126,525.00
06/01/2027	1,775,000	3.500%	63,262.50	1,838,262.50	
12/01/2027			32,200.00	32,200.00	
12/31/2027					1,870,462.50
06/01/2028	1,840,000	3.500%	32,200.00	1,872,200.00	
12/31/2028					1,872,200.00
	5,980,000		1,280,225.00	7,260,225.00	7,260,225.00



FORM 8038 STATISTICS

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Dated Date 09/01/2020
Delivery Date 09/30/2020

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bond:						
	06/01/2024	615,000.00	2.000%	104.924	645,282.60	615,000.00
	06/01/2025	1,550,000.00	2.000%	105.772	1,639,466.00	1,550,000.00
	06/01/2027	1,685,000.00	4.000%	118.669	1,999,572.65	1,685,000.00
	06/01/2028	1,750,000.00	3.000%	112.759	1,973,282.50	1,750,000.00
		5,600,000.00			6,257,603.75	5,600,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	06/01/2028	3.000%	1,973,282.50	1,750,000.00		
Entire Issue			6,257,603.75	5,600,000.00	6.1514	1.0840%

Proceeds used for accrued interest	13,146.67
Proceeds used for bond issuance costs (including underwriters' discount)	189,248.75
Proceeds used for credit enhancement	11,446.94
Proceeds allocated to reasonably required reserve or replacement fund	0.00
Proceeds used to refund prior tax-exempt bonds	6,055,808.35
Proceeds used to refund prior taxable bonds	0.00
Remaining WAM of prior tax-exempt bonds (years)	6.0632
Remaining WAM of prior taxable bonds (years)	0.0000
Last call date of refunded tax-exempt bonds	12/01/2020

2011 Form 8038 Statistics

Proceeds used to currently refund prior issues	6,055,808.35
Proceeds used to advance refund prior issues	0.00
Remaining weighted average maturity of the bonds to be currently refunded	6.0632
Remaining weighted average maturity of the bonds to be advance refunded	0.0000

PROOF OF ARBITRAGE YIELD

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Date	Debt Service	Present Value to 09/30/2020 @ 1.0839630132%
12/01/2020	40,800.00	40,725.33
06/01/2021	81,600.00	81,011.60
12/01/2021	81,600.00	80,574.90
06/01/2022	81,600.00	80,140.55
12/01/2022	81,600.00	79,708.54
06/01/2023	81,600.00	79,278.87
12/01/2023	81,600.00	78,851.51
06/01/2024	696,600.00	669,508.15
12/01/2024	75,450.00	72,124.73
06/01/2025	1,625,450.00	1,545,436.38
12/01/2025	59,950.00	56,691.67
06/01/2026	59,950.00	56,386.07
12/01/2026	59,950.00	56,082.12
06/01/2027	1,744,950.00	1,623,568.97
12/01/2027	26,250.00	24,292.36
06/01/2028	1,776,250.00	1,634,921.73
	6,655,200.00	6,259,303.48

Proceeds Summary

Delivery date	09/30/2020
Par Value	5,600,000.00
Accrued interest	13,146.67
Premium (Discount)	657,603.75
Arbitrage expenses	-11,446.94
Target for yield calculation	6,259,303.48

ESCROW REQUIREMENTS

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Period Ending	Interest	Principal Redeemed	Total
12/01/2020	98,737.50	5,980,000.00	6,078,737.50
	98,737.50	5,980,000.00	6,078,737.50

ESCROW DESCRIPTIONS

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Sep 30, 2020:						
SLGS	Certificate	12/01/2020	12/01/2020	6,077,808	0.090%	0.090%
				6,077,808		

SLGS Summary

SLGS Rates File	02SEP20
Total Certificates of Indebtedness	6,077,808.00

ESCROW COST DETAIL

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
DSF:				
SLGS	12/01/2020	21,999.65	0.090%	21,999.65
B.P.:				
SLGS	12/01/2020	6,055,808.35	0.090%	6,055,808.35
				6,077,808.00
				6,077,808.00

Escrow	Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
DSF	09/30/2020	21,999.65	0.35	22,000.00	0.090236%
B.P.	09/30/2020	6,055,808.35		6,055,808.35	0.090236%
			6,077,808.00	0.35	6,077,808.35
			6,077,808.00	0.35	6,077,808.35

ESCROW CASH FLOW

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Date	Principal	Interest	Net Escrow Receipts
12/01/2020	6,077,808.00	929.16	6,078,737.16
	6,077,808.00	929.16	6,078,737.16

Escrow Cost Summary

Purchase date	09/30/2020
Purchase cost of securities	6,077,808.00

ESCROW SUFFICIENCY

Brushy Creek Municipal Utility District
U/L Tax Ref Bds Ser 2020A
Verified Final Numbers

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
09/30/2020		0.35	0.35	0.35
12/01/2020	6,078,737.50	6,078,737.16	-0.34	0.01
	6,078,737.50	6,078,737.51	0.01	

ESCROW STATISTICS

Brushy Creek Municipal Utility District
 U/L Tax Ref Bds Ser 2020A
 Verified Final Numbers

Escrow	Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
DSF	22,000.00	0.169	0.090236%	0.090236%	21,963.10	36.90	
B.P.	6,055,808.35	0.169	0.090236%	0.090236%	6,045,649.84	10,158.51	
	6,077,808.35				6,067,612.94	10,195.41	0.00

Delivery date 09/30/2020
 Arbitrage yield 1.083963%

CS



KEN PAXTON
ATTORNEY GENERAL OF TEXAS

September 30, 2020

THIS IS TO CERTIFY that Brushy Creek Municipal Utility District (the "Issuer") has submitted the Brushy Creek Municipal Utility District Unlimited Tax Refunding Bond, Series 2020A (the "Bond") in the principal amount of \$5,600,000 for approval. The Bond is dated September 1, 2020, numbered T-1, and was authorized by an Order of the Issuer passed on August 13, 2020.

The Office of the Attorney General has examined the law and such certified proceedings and other papers as we deem necessary to render this opinion.

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

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

We have not reviewed and do not approve any contract or lease other than as specifically identified herein.

Based on our examination, we are of the opinion, as of the date hereof and under existing law, as follows:

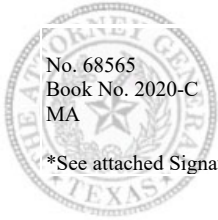
- (1) The Bond has been issued in accordance with law and is a valid and binding obligation of the Issuer.
- (2) In accordance with the provisions of the law, including an Escrow Agreement dated September 30, 2020, firm banking arrangements have been made for the discharge and final payment or redemption of the obligations being refunded upon deposit of an amount sufficient to pay said obligations when due.
- (3) The Bond is payable from the proceeds of an ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the Issuer.

Brushy Creek Municipal Utility District Unlimited Tax Refunding Bond, Series 2020A - \$5,600,000

Page 2-

Therefore, the Bond is approved.

The Comptroller is instructed that he may register the Bond without the cancellation of the underlying obligations being refunded thereby.



No. 68565
Book No. 2020-C
MA

*See attached Signature Authorization


Attorney General of the State of Texas

OFFICE OF THE ATTORNEY GENERAL
OF THE STATE OF TEXAS

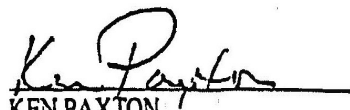
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§
§

I, KEN PAXTON, Attorney General for the State of Texas, do hereby authorize the employees of the Public Finance Division of the Office of the Attorney General to affix a digital image of my signature, in my capacity as Attorney General, to the opinions issued by this office approving the issuance of public securities by the various public agencies, non-profit corporations, district, entities, bodies politic or corporate, or political subdivisions of this State as required by law, the opinions approving those contracts designated by the Legislature as requiring the approval of the Attorney General, and the obligations, proceedings and credit agreements required by law to be approved by the Attorney General. The authorized digital image of my signature is attached as Exhibit A and is hereby adopted as my own for the purposes set forth herein. This supersedes any prior signature authorizations for the same purpose.

The authority granted herein is to be exercised on those occasions when I am unavailable to personally sign said opinions, and upon the condition that the opinions to which the digital image signature is affixed have been approved by an authorized Assistant Attorney General following the completion of the Public Finance Division's review of the transcripts of proceedings to which the opinions relate.

Given under my hand and seal of office at Austin, Texas, this the 5th day of January, 2015.




KEN PAXTON
Attorney General of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

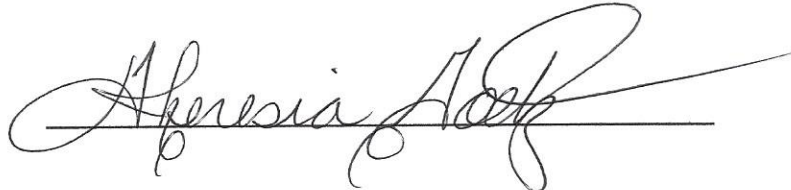
I, Theresa Goetz, Bond Clerk Assistant Bond Clerk in the office of the Comptroller of the State of Texas, do hereby certify that, acting under the direction and authority of the Comptroller on the 30th day of September 2020, I signed the name of the Comptroller to the certificate of registration endorsed upon the:

Brushy Creek Municipal Utility District Unlimited Tax Refunding Bond, Series 2020A,

numbered T-1, dated September 1, 2020, and that in signing the certificate of registration I used the following signature:



IN WITNESS WHEREOF I have executed this certificate this the 30th day of September 2020.



I, Glenn Hegar, Comptroller of Public Accounts of the State of Texas, certify that the person who has signed the above certificate was duly designated and appointed by me under authority vested in me by Chapter 403, Subchapter H, Government Code, with authority to sign my name to all certificates of registration, and/or cancellation of bonds required by law to be registered and/or cancelled by me, and was acting as such on the date first mentioned in this certificate, and that the bonds/certificates described in this certificate have been duly registered in the office of the Comptroller, under Registration Number 94666.

GIVEN under my hand and seal of office at Austin, Texas, this the 30th day of September 2020.



GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

OFFICE OF COMPTROLLER
OF THE STATE OF TEXAS

I, GLENN HEGAR, Comptroller of Public Accounts of the State of Texas, do hereby certify that the attachment is a true and correct copy of the opinion of the Attorney General approving the:

Brushy Creek Municipal Utility District Unlimited Tax Refunding Bond, Series 2020A

numbered T-1, of the denomination of \$ 5,600,000, dated September 1, 2020, as authorized by issuer, interest various percent, under and by authority of which said bonds/certificates were registered electronically in the office of the Comptroller, on the 30th day of September 2020, under Registration Number 94666.

Given under my hand and seal of office, at Austin, Texas, the 30th day of September 2020.



A handwritten signature in black ink, appearing to read "Glenn Hegar", written in a cursive style.

GLENN HEGAR
Comptroller of Public Accounts
of the State of Texas

September 30, 2020

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BONDS, SERIES 2020A
IN THE AGGREGATE PRINCIPAL AMOUNT OF \$5,600,000**

AS BOND COUNSEL FOR THE BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (the "District") of the bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which bear interest from the dates specified in the text of the Bonds, until maturity or redemption, at the rates and payable on the dates specified in the text of the Bonds all in accordance with the order of the Board of Directors of the District adopted on August 13, 2020, authorizing the issuance of the Bonds and the pricing certificate executed by the pricing officer as authorized in the order (collectively, the "Order").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the District, and other documents authorizing and relating to the issuance of said Bonds, including one of the executed Bonds (Bond Numbered T-1) and specimens of Bonds to be authenticated and delivered in exchange for the Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been duly authorized, issued and delivered in accordance with law; and that said Bonds, except as the enforceability thereof may be limited by laws relating to governmental immunity, bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted related to creditors' rights generally or by general principle of equity which permit the exercise of judicial discretion, constitute valid and legally binding obligations of the District, payable from ad valorem taxes without legal limit as to rate or amount to be levied and collected by the District upon taxable property within the District, which taxes the District has covenanted to levy in an amount sufficient (together with revenues and receipts from other sources which are legally available for such purposes) to pay the interest on and the principal of the Bonds. Such covenant to levy taxes is subject to the right of a city, under existing Texas law, to annex all of the territory within the District; to take over all properties and assets of the District; to assume all debts, liabilities, and obligations of the District, including the Bonds; and to abolish the District.

THE DISTRICT reserves the right to issue additional bonds which will be payable from taxes; bonds, notes, and other obligations payable from revenues; and bonds payable from contracts with other persons, including private corporations, municipalities, and political subdivisions.



IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on the sufficiency report of Robert Thomas CPA, LLC, and on certain representations, the accuracy of which we have not independently verified, and assume compliance by the District with, certain representations and covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the District to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state, or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, including the amount, accrual or receipt of interest on, the Bonds. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the District as the taxpayer. We observe that the District has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.



OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the District, and, in that capacity, we have been engaged by the District 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 exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the District, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the District as to the current outstanding indebtedness of and the assessed valuation of taxable property within the District. Our role in connection with the District's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,

September 30, 2020

Assured Guaranty Municipal Corp.
1633 Broadway
New York, New York 10019

Re: \$5,600,000 Brushy Creek Municipal Utility District Unlimited Tax
Refunding Bonds, Series 2020A

Ladies and Gentlemen:

This letter is to advise you that, as the issuer of the municipal bond insurance policy (the "Policy") which secures the payment of principal and interest on the referenced Bonds (the "Bonds"), you may rely on our Bond Counsel opinion dated the date hereof with respect to the Bonds as if you were a holder of the Bonds. This letter provides that only you may rely upon our Bond Counsel opinion, and only in connection with the transaction to which reference is made above and may not be relied upon by any other person for any purposes whatsoever without our prior written consent.

We render no opinion, however, as to the proper federal income tax treatment of any payment made to you by the Issuer in respect of the Policy as constituting "interest" within the meaning of section 61 of the Internal Revenue Code of 1986, as amended.

Very truly yours,



September 30, 2020

Brushy Creek Municipal Utility District
16318 Great Oaks Drive
Round Rock, Texas 78681-2506

BOK Financial Securities, Inc.
333 West Campbell Road, Suite 350
Richardson, Texas 75080

**Re: \$5,600,000 Brushy Creek Municipal Utility District Unlimited Tax
Refunding Bonds, Series 2020A**

Ladies and Gentlemen:

In reference to the issuance and sale of the above described bonds (the "Bonds"), we have served as Bond Counsel for Brushy Creek Municipal Utility District (the "District") and, in such capacity, prepared the order (the "Bond Order") authorizing the issuance of the Bonds, adopted by the Board of Directors of the District on August 13, 2020 which also approved and authorized the distribution of the Official Statement dated September 2, 2020 relating to the Bonds, (the "Official Statement") and approved and authorized the execution of the Escrow Agreement dated September 30, 2020 (the "Escrow Agreement"), the Pricing Certificate of the Pricing Officer dated September 2, 2020 (the "Pricing Certificate") and the Bond Purchase Agreement dated September 2, 2020 relating to the Bonds by and between the District and BOK Financial Securities, Inc.

We have examined such documents and satisfied ourselves as to such matters as we have deemed necessary in order to enable us to express the opinions set forth below.

The Bond Order and Pricing Certificate have been duly adopted and are in full force and effect.

The Bonds are exempted securities within the meaning of Section 3(a)(2) of the Securities Act of 1933, as amended, and it is not necessary in connection with the sale of the Bonds to the public to register the Bonds under the Securities Act of 1933, as amended, or to qualify the Order under the Trust Indenture Act of 1939, as amended.

We have not verified and are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of the statements and information contained in the Official Statement, but we have reviewed the information contained under the captions "PLAN OF FINANCING – Escrow Agreement," "THE BONDS (except for the subcaption "Book-Entry-Only System"), "LEGAL MATTERS," "TAX MATTERS," and "CONTINUING DISCLOSURE OF INFORMATION" (except for the subsection



"Compliance With Prior Undertakings") contained in the Official Statement and it is our opinion that the information , insofar as it relates to matters of law, is true and correct and fairly summarizes matters of law and provisions of the documents referred to therein.

Based on said examination, it is our opinion that the Refunded Bonds, as defined in the Pricing Certificate, are outstanding under the order authorizing their issuance only for the purpose of receiving the funds provided by, and are secured solely by and payable solely from, cash held by the Paying Agent. In rendering this opinion, we have relied upon the verification report of Robert Thomas CPA, LLP as to the sufficiency of the cash deposited with the Paying Agent for the purpose of paying such Refunded Bonds on the redemption date.

This letter is furnished to the addressees solely for your benefit and no other party is entitled to rely hereon.

Very truly yours,

A handwritten signature in blue ink, which appears to read "Robert Thomas CPA, LLP", is written over a light blue rectangular background.



Orrick, Herrington & Sutcliffe LLP
609 Main Street
40th Floor
Houston, TX 77002-3106
+1 713 658 6400
orrick.com

September 30, 2020

BOK Financial Securities, Inc.
333 West Campbell Road
Suite 350
Richardson, Texas 75080

Re: \$5,600,000 Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds,
Series 2020A

Ladies and Gentlemen:

We have acted as counsel to you as Underwriter in connection with your purchase from the Brushy Creek Municipal Utility District (the "Issuer") of its Unlimited Tax Refunding Bonds, Series 2020A, in the aggregate principal amount of \$5,600,000 (the "Bonds"), pursuant to the Purchase Agreement, dated September 2, 2020 (the "Purchase Agreement"), between you and the Issuer. The Bonds are to be issued pursuant to the order of the Board of Trustees of the Issuer, dated August 13, 2020, authorizing the issuance of the Bonds and a pricing certificate approving the terms of pricing and sale of the Bonds (collectively, the "Order"). Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Purchase Agreement.

In that connection, we have reviewed the Order, the official statement of the Issuer, dated September 2, 2020 with respect to the Bonds (the "Official Statement"), the Purchase Agreement, certificates of the Issuer and others, and such records and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the opinions and conclusions hereinafter expressed. We do not assume any responsibility for any electronic version of the Official Statement and assume that any such version is identical in all respects to the printed version.

In arriving at the opinions and conclusions hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, without independent assessment or inquiry, the validity, accuracy and sufficiency of the records, documents, certificates and opinions referred to above, including the accuracy of all factual matters represented and legal conclusions contained therein, including (without limitation) any representations and legal conclusions regarding the valid existence of the Issuer, the due authorization, issuance, delivery, validity and enforceability of the Bonds and the exclusion of interest thereon from gross income for federal income tax purposes, and the legality, validity and enforceability of the any laws, documents and instruments that may be related to the authorization, issuance, payment or security of the Bonds. We have assumed that all records, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

Based on and subject to the foregoing, and in reliance thereon, as of the date hereof, we are of the following opinions or conclusions:



1. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Order is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.

2. We are not passing upon and do not assume any responsibility for the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as your counsel, to assist you in part of your responsibility with respect to the Official Statement, we participated in conferences with your representatives and representatives of the Issuer, McCall, Parkhurst & Horton LLP, as bond counsel, Robert W. Baird & Co. Incorporated, as financial advisor, accountants, and others, during which the contents of the Official Statement and related matters were discussed. Based on our participation in the above-mentioned conferences (which did not extend beyond the date of the Official Statement), and in reliance thereon, on oral and written statements and representations of the Issuer and others and on the records, documents, certificates, opinions and matters herein mentioned, we advise you as a matter of fact and not opinion that, during the course of our representation of you on this matter, no facts came to the attention of the attorneys in our firm rendering legal services to you in connection with the Official Statement which caused us to believe that the Official Statement as of its date and as of the date hereof (except for any financial, forecast, technical and statistical statements and data included in the Official Statement and the information regarding The Depository Trust Company and its book-entry, DTC, Cede & Co., or the information regarding Assured Guaranty Municipal Corp., in each case as to which no view need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or view expressed with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

We are furnishing this letter to you pursuant to paragraph 7(j)(7) of the Purchase Agreement solely for your benefit as Underwriter. We disclaim any obligation to update this letter. This letter is not to be used, circulated, quoted or otherwise referred to or relied upon for any other purpose or by any other person. This letter is not intended to, and may not, be relied upon by owners of Bonds or by any other party to whom it is not specifically addressed.

Very truly yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

A handwritten signature in blue ink that reads "Orrick, Herrington & Sutcliffe" with a stylized flourish at the end.



Jan Bartholomew
Managing Director
Public Finance

Phone: 713-230-6121
Email: jbartholomew@rwbaird.com

Date: September 28, 2020
To: Attached Distribution
From: Jan Bartholomew, Robert W. Baird & Co. Inc.
Re: Closing and Delivery
\$5,600,000 Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds")
Brushy Creek Municipal Utility District (the "District")

Delivery of the Bonds is scheduled for Wednesday, September 30, 2020. Ms. Carol Polumbo of McCall, Parkhurst & Horton L.L.P., Austin, Texas, bond counsel to the District, will handle all legal matters related to the closing. Instructions for closing and delivery of the Bonds are as follows:

- A. On September 29, 2020, by 3:00 p.m., central time, the District will wire \$22,000.00 from its debt service fund to Wells Fargo Bank, National Association (the "Paying Agent"), as follows:

Wells Fargo Bank, N.A.
ABA No. 121 000 248
Account No. [REDACTED]
Account Name: Paying Agent Clearing Account
Ref: Brushy Creek MUD Refunding, Series 2020A
Attn: Jim Hood, 612-667-1256

- B. On September 30, 2020, by 10:00 a.m., central time, BOK Financial Securities, Inc. (the "Underwriter") will wire \$6,228,276.67 to the Paying Agent, as follows:

Wells Fargo Bank, N.A.
ABA No. 121 000 248
Account No. [REDACTED]
Account Name: Paying Agent Clearing Account
Ref: Brushy Creek MUD Refunding, Series 2020A
Attn: Jim Hood, 612-667-1256

The funds to be wired by the Underwriter to the Paying Agent are calculated as follows:

Par Amount of the Bonds:	\$ 5,600,000.00
Less Underwriter's Discount:	(42,473.75)
Plus Reoffering Premium:	657,603.75
<u>Plus Accrued Interest:</u>	<u>13,146.67</u>
Amount of Wire by Underwriter:	\$ 6,228,276.67

The total funds to be wired to the Paying Agent are calculated as follows:

Wire from the District:	\$ 22,000.00
<u>Wire from the Underwriter:</u>	<u>6,228,276.67</u>
Total Amount to Paying Agent:	\$ 6,250,276.67

C. Upon receipt of the total amount of \$6,250,276.67, the Paying Agent will apply funds as follows:

1. \$11,446.94 will be wired to Assured Guaranty Municipal Corp. ("AGM") for payment of the premium associated with the municipal bond insurance policy to be issued by AGM, as follows:

The Bank of New York
ABA No. 021 000 018
Account No. [REDACTED]
Account Name: Assured Guaranty Municipal Corp.
Policy No. 220523-N
Attn: Audrey Udit-Adler, (212) 339-3548

Upon transmission of the wire of funds to AGM, the Paying Agent will notify Bond Counsel of the wire reference number, the time such wire was sent and the amount. Bond Counsel will contact AGM to obtain release of the municipal bond insurance policy, and upon such release Bond Counsel will contact the Paying Agent with regard to disbursement of the funds listed below and the release of the definitive Bonds.

2. \$6,082,308.35 will be retained by the Paying Agent to (i) redeem the refunded bonds (\$6,077,808.35); (ii) pay the fee of Wells Fargo Bank for redemption of the 2013 refunded bonds (\$500.00); (iii) pay the escrow agent fee (\$2,000.00); and (iv) pay the acceptance fee and administration fee of the Paying Agent of the Bonds (\$2,000.00).

Wells Fargo Bank, N.A.
ABA No. 121 000 248
Account No. [REDACTED]
Account Name: Paying Agent Clearing Account
Ref: Brushy Creek MUD Refunding, Series 2020A
Attn: Jim Hood 612-667-1256

3. \$13,146.67 (representing accrued interest on the Bonds to the date of delivery) will be wired to the District's debt service fund, as follows:

JP Morgan Chase
C/O LOGIC Participant Services
Dallas, Texas
ABA No. 113 000 609
BNF: LOGIC Investment Cooperative
Account No. [REDACTED]
OBI: Brushy Creek MUD - 2006801001
Debt Service Fund

4. \$ [REDACTED] will be wired to McCall, Parkhurst & Horton L.L.P. for bond counsel fees and expenses, as follows:

PlainsCapital Bank
325 N. St. Paul Street, Suite 175, Dallas, Texas 75201
ABA No. 111 322 994
Account No. [REDACTED]
(For Credit to: McCall, Parkhurst & Horton L.L.P. Operating Account)
Reference No. 3450.037



5. \$57,675.00 will be wired to Robert W. Baird & Co. Incorporated for financial advisory fees and expenses, as follows:

Robert W. Baird & Co. Incorporated
BMO Harris Bank
Beneficiary: Robert W. Baird & Co. Incorporated
ABA No. 071 000 288
Account No. [REDACTED]
Reference No. 289060

6. \$13,175.00 will be wired to Standard & Poor's Financial Services, LLC for the rating fee, as follows:

Bank of America
ABA No. 026 009 593
Account No. [REDACTED]
Account Name: S&P Global Ratings
Invoice No. 11398516
Customer No. 1000111308

7. \$1,616.37 will be wired to digi-Color, L.P. for printing and distribution of the Official Statement, as follows:

Zions Bancorporation, National Association
Amegy Bank Division
P.O. Box 27459, Houston, TX 77227-7459
ABA No. 113 011 258
Division FBO: Southwest Precision Printers & Associates, LP
Account No. [REDACTED]
Invoice No. 20204931-01
Eli Palomo, 713-232-1141

8. \$2,500.00 will be wired to Robert Thomas CPA, LLC for verification services, as follows:

Arvest Bank
ABA No. 082 900 872
Account No. [REDACTED]
Credit the account of Robert Thomas CPA, LLC
Invoice No. 202346

9. The remaining \$10,158.34 is to be wired to the District's general operating fund to pay any additional costs of issuance, as follows:

JP Morgan Chase
C/O LOGIC Participant Services
Dallas, Texas
ABA No. 113 000 609
BNF: LOGIC Investment Cooperative
Account No. [REDACTED]
OBI: Brushy Creek MUD- 2006801015

After 30 days, any such funds that remain unexpended are to be wired to the District's debt service fund.

If you have any questions, please contact Jan Bartholomew at 713-230-6121.

BOND COUNSEL

McCall, Parkhurst & Horton L.L.P.
600 Congress Avenue, Suite 1800
Austin, Texas 78701

Carol Polumbo
Phone: 512-478-3805
Email: cpolumbo@mphlegal.com

Jacqueline Hale
Phone: 512-478-3805
Email: jhale@mphlegal.com

Crystal Lightfield
Phone: 512-478-3805
Email: clightfield@mphlegal.com

UNDERWRITER

BOK Financial Securities, Inc.
1200 N Mayfair Rd, Suite 303
Milwaukee, WI 53226

Travis Mantel
Phone: 414-203-6558
Email: tmantel@bokf.com

Allen Mattson
Phone: 414-203-6558
Email: AMattson@bokf.com

Will Harper
Phone: 214-576-0871
Email: wharper@bokf.com

Bryan Peake
Phone: 405-272-2031
Email: bpeake@bokf.com

Cole DeKinder
Phone: 405-272-2031
Email: cdekinder@bokf.com

FINANCIAL ADVISOR

Robert W. Baird & Co. Incorporated
1331 Lamar, Suite 1360
Houston, Texas 77010

Jan Bartholomew
Phone: 713-230-6121
Email: jbartholomew@rwbaird.com

Stephen Eustis
Phone: 713-230-6131
Email: seustis@rwbaird.com

David Wood
Phone: 713-230-6130
Email: dwood@rwbaird.com

UNDERWRITER'S COUNSEL

Orrick, Herrington & Sutcliffe LLP
609 Main Street, 40th Floor
Houston, Texas 77002

Marcus Deitz
Phone: 713-658-6420
Email: mdeitz@orrick.com

GENERAL COUNSEL

McLean & Howard, L.L.P.
Barton Oaks Plaza, Building II
901 S. Mopac Expressway, Suite 225
Austin, Texas 78746

Tony Corbett
Phone: 512-328-2008
Email: tcorbett@mcleanhowardlaw.com

PAYING AGENT

Wells Fargo Corporate Trust Services
600 S 4th St, 6th Floor
Minneapolis, Minnesota 55415

Jeff Carlson
Phone: 612-667-4802
Email: Jeffrey.K.Carlson@wellsfargo.com

Jim Hood
Phone: 612-667-1256
Email: james.j.hood@wellsfargo.com

ISSUER

Brushy Creek Municipal Utility District
16318 Great Oaks Drive
Round Rock, Texas 78681

Shean Dalton
Phone: 512-255-7871
Email: s.dalton@bcmud.org

Armida Macias
Phone: 512-255-7871
Email: A.Macias@bcmud.org

VERIFICATION AGENT

Robert Thomas CPA, LLC – Minneapolis Office
3300 Plymouth Blvd #46013
Minneapolis, Minnesota 55446

David LaFlamme
Phone: 763-442-5017
Email: dlaflamme@rthomascpa.com

M. Joseph Smith, CPA
Phone: 612-601-8995
Email: jsmith@rthomascpa.com

INSURANCE

Assured Guaranty Municipal Corp.
1633 Broadway, 24th Floor
New York, New York 10019

Audrey Udit-Adler
Phone: 212-339-3548
Email: Audit-adler@agltd.com

Michael Curcio
Phone: 212-893-2769
Email: mcurcio@agltd.com

The undersigned acknowledges and approves disbursement of funds as set out above.

Brushy Creek Municipal Utility District

By: 
Authorized Representative

Name: Shawn P. DeWulf

Title: GM

Date: 9/24/2020

By: 
Authorized Representative

Name: Armida Macias

Title: Accounting Manager

Date: 09/24/20

RECEIPT FOR PROCEEDS

THE STATE OF TEXAS §
COUNTY OF WILLIAMSON §
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT §

The undersigned hereby certifies as follows:

(a) This certificate is executed and delivered with reference to:

\$5,600,000 Brushy Creek Municipal Utility District
Unlimited Tax Refunding Bonds, Series 2020a

(b) The undersigned is acting as Closing Agent on behalf of the Issuer of the Bonds.

(c) The Bonds have been duly delivered to the purchasers thereof, namely:

BOK FINANCIAL SECURITIES, INC.;

(d) I hereby acknowledge the transfer of funds made on behalf of the District pursuant to the District's closing memorandum dated September 30, 2020.

EXECUTED AND DELIVERED this 20th day of September, 2020.

WELLS FARGO BANK, N.A.

By: _____

Title: _____

September 14, 2020

Via E-Mail

Wells Fargo Bank, NA
Corporate Trust Services
600 S. 4th St., 6th Floor
MAC N9300-060
Minneapolis, MN 554159
ATTN: Jeffrey K. Carlson
Jeffrey.K.Carlson@wellsfargo.com

Re: Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2013 (the "Refunded Bonds")

Dear Jeff:

Enclosed please find a copy of the order ("Bond Order") authorizing **Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2020A** (the "Bonds"), the order authorizing the captioned bonds (the "Refunded Bonds") which Wells Fargo Bank, N.A. ("Wells Fargo") serves as Paying Agent/Registrar and the Notice of Redemption.

This letter and its enclosures are intended to serve as notice to Wells Fargo, as Paying Agent/Registrar for the Refunded Bonds, that certain of said Refunded Bonds have been called for redemption by the Brushy Creek Municipal Utility District as set forth in the Bond Order authorizing the Bonds. You are authorized and directed to take such steps as may be necessary to redeem the Refunded Bonds as provided in the order authorizing their issuance. You will need to provide notice to the bondholders of the redemption as soon as possible in order for the Refunded Bonds to be redeemed on the redemption date of December 1, 2020.

Please acknowledge receipt of this letter, your agreement to provide the requested services and that arrangements for the payment of all future paying agency services with respect to the Refunded Bonds have been made and that Wells Fargo will continue to perform paying agency services for such Refunded Bonds until redemption by executing an enclosed copy hereof and return it to me.

If you should have any questions, please do not hesitate to call me at your earliest convenience.

Very truly yours,

McCall, Parkhurst & Horton L.L.P.



Jacqueline Hale



WELLS FARGO BANK, N.A.

By: Jeffrey K. Cook
Date: 9-16-2020

*Letter of Instruction and Notice of Redemption for Brushy Creek Municipal Utility District
Refunding Bonds, Series 2020A*

**NOTICE OF DEFEASANCE/REDEMPTION
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT**

Notice is hereby given that the following obligations issued by Brushy Creek Municipal Utility District (the "District") have been called for redemption prior to their scheduled maturities, at a price of par and accrued interest to the date of redemption, to-wit:

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2013, outstanding obligations maturing on June 1 in each of the years 2024, 2025 and 2027 through 2028 aggregating \$5,980,000 in principal amount.

<u>Maturity Date</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Redemption Date</u>	<u>CUSIP*</u>
2024	\$ 730,000	3.000%	December 1, 2020	117464PP6
2025	\$1,635,000	3.000%	December 1, 2020	117464PQ4
2027	\$1,775,000	3.500%	December 1, 2020	117464PR2
2028	\$1,840,000	3.500%	December 1, 2020	117464PS0

*The CUSIP Numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. The District and Paying Agent shall not be responsible for the selection or the correctness of the CUSIP numbers set forth herein or as printed on any Bond.

Due provision for the payment of the above-described obligations has been made with Wells Fargo Bank, N.A. (the "Bank"), the paying agent for said obligations, and said obligations shall be presented for payment either in person or by mail, at the following address:

First Class/Registered/Certified Mail

Wells Fargo Bank, N.A.
Corporate Trust Operations
P.O. Box 1517
Minneapolis, MN 55480-1517

By Overnight or Courier

Wells Fargo Bank, N.A.
Corporate Trust Operations
N9303-121
6th & Marquette Avenue
Minneapolis, MN 55479

By Hand

Wells Fargo Bank, N.A.
Northstar East Building
608 2nd Ave. So.
12th Floor
Minneapolis, MN

Interest on the redeemed obligations shall cease to accrue thereon after their redemption date.

In compliance with section 3406 of the Internal Revenue Code of 1986, as amended, payors making certain payments due on debt securities may be obligated to deduct and withhold a portion of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of this withholding tax, such payees should submit a certified taxpayer identification number when surrendering the Bonds for redemption.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT



**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)
UNLIMITED TAX REFUNDING BONDS, SERIES 2020A**

Verification Report
September 30, 2020

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

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INDEPENDENT ACCOUNTANT’S VERIFICATION REPORT

September 30, 2020

Brushy Creek Municipal Utility District (“Issuer”)
Williamson County, Texas

Robert W. Baird & Co. Incorporated (“Municipal Advisor”)
Houston, Texas

BOK Financial Securities, Inc. (“Underwriter”)
Dallas, Texas

McCall, Parkhurst & Horton L.L.P. (“Bond Counsel”)
Austin, Texas

Wells Fargo Bank, N.A. (“Escrow Agent”)
Dallas, Texas

Assured Guaranty Municipal (“Bond Insurer”)
New York, New York

Texas Attorney General (“Texas AG”)
Austin, Texas

Pursuant to the request of the Municipal Advisor, on behalf of the Issuer, we have performed certain procedures, as discussed below, in connection with the Issuer’s proposed issuance of \$5,600,000 Unlimited Tax Refunding Bonds, Series 2020A, dated September 1, 2020 (the “Bonds”).

Proceeds from the Bonds will be used to establish a cash deposit and to acquire certain United States Treasury Securities-State and Local Government Series (the “SLGS” or “Escrowed Securities”) to currently refund the Issuer’s outstanding Unlimited Tax Refunding Bonds, Series 2013, dated February 1, 2013 (the “Refunded Bonds”), as listed below.

Issue	Original Principal Amount	Par Amount Refunded	Maturity Dates	Call Date	Call Price
<i>Unlimited Tax Refunding Bonds, Series 2013</i>	\$6,125,000	\$5,980,000	Term bonds maturing 6/1/2024 and serial bonds maturing 6/1/2025, 6/1/2027 and 6/1/2028	December 1, 2020	100.00

The procedures, as summarized below, were performed solely to assist the addressees of this report in evaluating the mathematical accuracy of certain schedules prepared by the Municipal Advisor which indicate that:

- there will be sufficient funds available in an escrow account (the “Escrow Fund”), to be established on September 30, 2020, to pay the payments of principal and interest related to the Refunded Bonds (the “Escrow Requirements”), assuming the Refunded Bonds, in the aggregate principal amount of \$5,980,000 will be called and redeemed on the optional redemption date of December 1, 2020 at 100.00 percent of the principal amount thereof plus accrued interest; and
- the yield on the Bonds is as shown in our report.

The procedures we performed are summarized below:

1. We independently calculated the Escrow Requirements related to the Refunded Bonds, using information from the Bond Order, Pricing Certificate and Official Statement (the “Prior Bond Documents”), compared the Escrow Requirements to the Municipal Advisor’s schedules, and found the Escrow Requirements to be in agreement. We assume the Prior Bond Documents to be accurate and have relied solely on the documents named in this paragraph to calculate Escrow Requirements.
2. We independently calculated the future cash receipts from the Escrow Securities and compared the future cash receipts to the Municipal Advisor’s schedules. We found the future cash receipts to be in agreement.
3. Using the results of our independent calculations described in procedures 1 and 2 and assuming the cash deposit to the Escrow Fund of \$0.35 on September 30, 2020, we prepared an Escrow Fund cash flow schedule (attached hereto as Exhibit B). The resulting cash flow schedule indicates that there will be sufficient funds available in the Escrow Fund to pay the Escrow Requirements on a timely basis.
4. We compared pertinent terms of the Refunded Bonds (i.e., debt service payment dates, annual maturity amounts, interest rates, and optional and mandatory redemption provisions), as summarized herein, to the information from the Prior Bond Documents; we found the terms to be in agreement.
5. We compared the interest rates for the SLGS on the final SLGS Subscription View Forms (provided Municipal Advisor and attached to this report) to the Department of the Treasury Bureau of the Fiscal Service SLGS tables for use on September 2, 2020, and found the interest rates on the final SLGS Subscription View Forms to be less than or equal to the applicable maximum allowable interest rates for use on September 2, 2020.
6. We compared the terms (i.e., the principal amount, interest rate, first interest payment date, issue date and maturity date) of the SLGS to be acquired on September 30, 2020, as summarized herein, to the final SLGS subscription forms; we found the terms to be in agreement.
7. We compared the maturity and interest payment dates, interest rate, principal maturity amounts and issue price of the Bonds, to the Official Statement and information for the Bonds provided to us by the Municipal Advisor; we found the terms to be in agreement.
8. We independently calculated the yield on the Bonds assuming a settlement date of September 30, 2020. The term “yield,” as used herein, means that yield which, when used in computing the present value of all payments of principal and interest on an obligation, compounded semi-annually, using a 30/360-day year basis, produces an amount equal to the issue price of the Bonds, adjusted for the Bond insurance premium.

The result of our yield calculation, which is listed below, was compared to the yield calculation provided by the Municipal Advisor; we found the yield to be in agreement.

	<u>YIELD</u>	<u>EXHIBIT</u>
• Yield on the Bonds	1.083963%	C

Based on performing the aforementioned procedures, we have found that those schedules provided by the Municipal Advisor, when compared to those schedules prepared by us (attached hereto as Exhibits), are arithmetically accurate and reflect, based on the assumptions set forth herein, that:

- there will be sufficient funds available in the Escrow Fund to pay the Escrow Requirements on a timely basis; and
- the yield on the Bonds is as shown in our report.

This engagement was performed in accordance with consulting service standards established by the American Institute of Certified Public Accountants (the "AICPA"). The sufficiency of these procedures is solely the responsibility of the specified users of the report. We make no representation regarding the sufficiency of the procedures summarized above, either for the purpose for which this report has been requested or for any other purpose.

The results of our independent calculations with respect to the proposed transactions are summarized in the accompanying exhibits. The original computations, along with related characteristics and assumptions contained herein, were provided by the Municipal Advisor on behalf of the Issuer. We relied solely on this information and these assumptions and limited our work to performing those procedures set forth above.

This report is issued solely for the information of, and assistance to, the addressees of this report and is not to be quoted or referred to in any document, except for the Official Statement and the required closing transaction documents. Additionally, this report should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under the terms of our engagement, we have no obligation to update this report because of events or transactions occurring subsequent to the date of this report.



Overland Park, Kansas

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

SCHEDULE OF SOURCES AND USES OF FUNDS

September 30, 2020

SOURCES:

Principal amount of the Bonds	\$5,600,000.00
Original issue premium	657,603.75
Transfer of debt service funds	22,000.00
Accrued interest	13,146.67
	<hr/>
	\$6,292,750.42
	<hr/> <hr/>

USES:

Purchase Price of the Escrowed Securities	\$6,077,808.00
Cash deposit to the Escrow Fund	0.35
Costs of issuance	146,775.00
Underwriter's discount	42,473.75
Bond insurance	11,446.94
Accrued Interest	13,146.67
Contingency	1,099.71
	<hr/>
	\$6,292,750.42
	<hr/> <hr/>

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

ESCROW FUND CASH FLOW

<u>Dates</u>	<u>Cash receipt from Escrowed Securities (Exhibit B-1)</u>	<u>Debt service payments on Refunded Bonds (Exhibit B-2)</u>	<u>Cash balance</u>
Cash deposit on September 30, 2020			\$0.35
12-01-20	\$6,078,737.16	\$6,078,737.50	0.01
	<u>\$6,078,737.16</u>	<u>\$6,078,737.50</u>	

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

CASH RECEIPT FROM THE ESCROWED SECURITIES

<u>Receipt date</u>	<u>Principal</u>	<u>Interest rate</u>	<u>Interest</u>	<u>Cash receipt from SLGS</u>
12-01-20	<u>\$6,077,808.00</u>	0.090%	<u>\$929.16</u>	<u>\$6,078,737.16</u>

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

DEBT SERVICE TO MATURITY AND ESCROW REQUIREMENTS
FOR THE REFUNDED 2013 BONDS

Remaining Scheduled Debt Service
Payments to Original Maturity Date
(For Reference Purposes Only)

Date	Principal	Interest rate	Interest	Debt service payments	Escrow Requirements
12-01-20			\$98,737.50	\$98,737.50	\$6,078,737.50
06-01-21	\$15,000	3.000% (T24)	98,737.50	113,737.50	
12-01-21			98,512.50	98,512.50	
06-01-22	15,000	3.000% (T24)	98,512.50	113,512.50	
12-01-22			98,287.50	98,287.50	
06-01-23	15,000	3.000% (T24)	98,287.50	113,287.50	
12-01-23			98,062.50	98,062.50	
06-01-24	685,000	3.000% (T24)	98,062.50	783,062.50	
12-01-24			87,787.50	87,787.50	
06-01-25	1,635,000	3.000%	87,787.50	1,722,787.50	
12-01-25			63,262.50	63,262.50	
06-01-26			63,262.50	63,262.50	
12-01-26			63,262.50	63,262.50	
06-01-27	1,775,000	3.500%	63,262.50	1,838,262.50	
12-01-27			32,200.00	32,200.00	
06-01-28	1,840,000	3.500%	32,200.00	1,872,200.00	
	<u>\$5,980,000</u>		<u>\$1,280,225.00</u>	<u>\$7,260,225.00</u>	<u>\$6,078,737.50</u>

(To Exhibit B)

(T24) Term bond due June 1, 2024

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

DEBT SERVICE PAYMENTS AND YIELD ON THE BONDS

Date	\$5,600,000 issue dated September 1, 2020			Total debt service	Present value on September 30, 2020 using a yield of 1.083963%
	Principal	Interest rate	Interest		
12-01-20			\$40,800.00	\$40,800.00	\$40,725.33
06-01-21			81,600.00	81,600.00	81,011.60
12-01-21			81,600.00	81,600.00	80,574.90
06-01-22			81,600.00	81,600.00	80,140.55
12-01-22			81,600.00	81,600.00	79,708.54
06-01-23			81,600.00	81,600.00	79,278.87
12-01-23			81,600.00	81,600.00	78,851.51
06-01-24	\$615,000	2.000%	81,600.00	696,600.00	669,508.15
12-01-24			75,450.00	75,450.00	72,124.73
06-01-25	1,550,000	2.000%	75,450.00	1,625,450.00	1,545,436.38
12-01-25			59,950.00	59,950.00	56,691.67
06-01-26			59,950.00	59,950.00	56,386.07
12-01-26			59,950.00	59,950.00	56,082.12
06-01-27	1,685,000	4.000%	59,950.00	1,744,950.00	1,623,568.98
12-01-27			26,250.00	26,250.00	24,292.36
06-01-28	1,750,000	3.000%	26,250.00	1,776,250.00	1,634,921.73
	<u>\$5,600,000</u>		<u>\$1,055,200.00</u>	<u>\$6,655,200.00</u>	<u>\$6,259,303.48</u>

The present value of the future payments is equal to:

Principal amount of the Bonds	\$5,600,000.00
Accrued interest	13,146.67
Original issue premium	657,603.75
Bond insurance premium	(11,446.94)
	<u>\$6,259,303.48</u>

The sum of the present values of the debt service payments of the Bonds on September 30, 2020, using a yield of 1.083963%, is equal to the issue price of the Bonds, adjusted for the Bond insurance premium.

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
(WILLIAMSON COUNTY, TEXAS)

UNLIMITED TAX REFUNDING BONDS, SERIES 2020A

ORIGINAL ISSUE PREMIUM ON THE BONDS

Maturity date	Principal	Interest rate	Yield	Initial public offering price	Original issue premium
06-01-24	\$615,000	2.000%	0.640%	104.924%	\$30,282.60
06-01-25	1,550,000	2.000%	0.740%	105.772%	89,466.00
06-01-27	1,685,000	4.000%	1.090%	118.669%	314,572.65
06-01-28	1,750,000	3.000%	1.250%	112.759%	223,282.50
	<u>\$5,600,000</u>				<u>\$657,603.75</u>

Appendix I
Final SLGS Subscription Forms



**U.S. Treasury Securities
SLGS Time Deposit
Subscription View**

OMB: No: 1535-0092
Date/Time: 09/15/2020 05:27 PM EDT
Page: 1 of 2

Issue Information

Treasury Case Number 202002683
Status Complete
Issue Date 09/30/2020
Issue Amount \$6,077,808.00
Rate Table Date 09/02/2020

Owner

Taxpayer Identification Number 74-2006801
Underlying Bond Issue \$5,600,000 Unlimited Tax Refunding Bonds, Series 2020A
Owner Name Brushy Creek Municipal Utility District
Address Line 1 16318 Great Oaks Drive
Line 2
Line 3
City Round Rock
State TX
Zip Code 78681
Contact Name Shean Dalton
Telephone 512-255-7871
Fax 512-255-0332
E-mail s.dalton@bcmud.org

Trustee

ABA Routing Number 091000019
Bank Reference Number
Bank Name Wells Fargo Bank, N.A.
Address Line 1 600 S 4th Street, 6th Floor
Line 2 MAC N9300-060
Line 3
City Minneapolis
State MN
Zip Code 55415
Contact Name Jeff Carlson
Telephone 612-667-4802
Fax 612-667-2160
E-mail jeffrey.k.carlson@wellsfargo.com

Funds for Purchase

ABA Routing Number 091000019
Bank Name Wells Fargo Bank, N.A.
Contact Name Jeff Carlson
Telephone 612-667-4802
Fax 612-667-2160
E-mail jeffrey.k.carlson@wellsfargo.com



**U.S. Treasury Securities
SLGS Time Deposit
Subscription View**

OMB: No: 1535-0092
Date/Time: 09/15/2020 05:27 PM EDT
Page: 2 of 2

ACH Institutions & Instructions

ABA Routing Number 091000019
Bank Name Wells Fargo Bank, N.A.
Address Line 1 600 S 4th Street, 6th Floor
Line 2 MAC N9300-060
Line 3
City Minneapolis
State MN
Zip Code 55415
Contact Name Jeff Carlson
Telephone 612-667-4802
Fax 612-667-2160
E-mail jeffrey.k.carlson@wellsfargo.com

ABA Routing Number 091000019
Account Name Trust Clearing
Account Number 31380
Account Type Checking

Subscriber

ABA/TIN 39-6037917
Organization Name Robert W. Baird Inc
Address Line 1 700 Milam St
Line 2 Suite 1300
Line 3
City Houston
State TX
Zip Code 77002
Contact Name David Smalling
Telephone 832-871-5292
Fax
E-mail Dsmalling@rwbaird.com

Viewers

ABA/TIN	Organization Name
No Viewers Assigned	

Securities

Security Number	Security Type	Principal Amount	Interest Rate	Maturity Date	First Interest Payment Date	Security Description
1	C of I	\$6,077,808.00	0.090000000	12/01/2020		Certificate

Form **8038-G**

Information Return for Tax-Exempt Governmental Bonds

(Rev. September 2018)

► Under Internal Revenue Code section 149(e)

► See separate instructions.

OMB No. 1545-0720

Department of the Treasury
Internal Revenue Service

Caution: If the issue price is under \$100,000, use Form 8038-GC.

► Go to www.irs.gov/F8038G for instructions and the latest information.

Part I Reporting Authority		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name Brushy Creek Municipal Utility District		2 Issuer's employer identification number (EIN) 74-2006801	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions) None		3b Telephone number of other person shown on 3a N/A	
4 Number and street (or P.O. box if mail is not delivered to street address) Room/suite 16318 Great Oaks Drive		5 Report number (For IRS Use Only) 3	
6 City, town, or post office, state, and ZIP code Round Rock, Texas 78681		7 Date of issue 09/30/2020	
8 Name of issue Unlimited Tax Refunding Bonds, Series 2020A		9 CUSIP number 117464 UH8	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Shean Dalton, General Manager		10b Telephone number of officer or other employee shown on 10a (512) 255-7871	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.			
11 Education	11		
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17	6,257,604	
18 Other. Describe ►	18		
19a If bonds are TANs or RANs, check only box 19a			<input type="checkbox"/>
b If bonds are BANs, check only box 19b			<input type="checkbox"/>
20 If bonds are in the form of a lease or installment sale, check box			<input type="checkbox"/>

Part III Description of Bonds. Complete for the entire issue for which this form is being filed.					
	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	06/01/2028	\$ 6,257,604	\$ 5,600,000	6.15 years	1.0839 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)					
22	Proceeds used for accrued interest	22	13,147		
23	Issue price of entire issue (enter amount from line 21, column (b))	23	6,257,604		
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	189,249		
25	Proceeds used for credit enhancement	25	11,447		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	0		
27	Proceeds used to refund prior tax-exempt bonds. Complete Part V	27	6,055,808		
28	Proceeds used to refund prior taxable bonds. Complete Part V	28	0		
29	Total (add lines 24 through 28)	29	6,256,504		
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	1,100		

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.			
31	Enter the remaining weighted average maturity of the tax-exempt bonds to be refunded	31	6.06 years
32	Enter the remaining weighted average maturity of the taxable bonds to be refunded	32	N/A years
33	Enter the last date on which the refunded tax-exempt bonds will be called (MM/DD/YYYY)	33	12/01/2020
34	Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)	34	02/27/2013

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	0
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC). See instructions	36a	0
b	Enter the final maturity date of the GIC ▶ (MM/DD/YYYY) _____		
c	Enter the name of the GIC provider ▶ _____		
37	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units	37	0
38a	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:		
b	Enter the date of the master pool bond ▶ (MM/DD/YYYY) _____		
c	Enter the EIN of the issuer of the master pool bond ▶ _____		
d	Enter the name of the issuer of the master pool bond ▶ _____		
39	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box		<input type="checkbox"/>
40	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box		<input type="checkbox"/>
41a	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:		
b	Name of hedge provider ▶ _____		
c	Type of hedge ▶ _____		
d	Term of hedge ▶ _____		
42	If the issuer has superintegrated the hedge, check box		<input type="checkbox"/>
43	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box		<input checked="" type="checkbox"/>
44	If the issuer has established written procedures to monitor the requirements of section 148, check box		<input checked="" type="checkbox"/>
45a	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____		
b	Enter the date the official intent was adopted ▶ (MM/DD/YYYY)		

Signature and Consent

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

Signature of issuer's authorized representative: Shean Dalton Date: 9/25/2020 Type or print name and title: Shean Dalton, General Manager

Paid Preparer Use Only

Print/Type preparer's name Harold T. Flanagan	Preparer's signature <i>Harold T. Flanagan</i>	Date 09/24/2020	Check <input type="checkbox"/> if self-employed	PTIN P01071147
Firm's name ▶ McCall, Parkhurst & Horton L.L.P.		Firm's EIN ▶ 75-0799392		
Firm's address ▶ 717 N. Harwood, Suite 900, Dallas, TX 75201		Phone no. 214-754-9200		

**UNITED STATES OF AMERICA
STATE OF TEXAS**

**BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BOND
SERIES 2020A**

NO. R-1

**PRINCIPAL
AMOUNT
\$615,000**

<u>INTEREST RATE</u>	<u>DATE OF BONDS</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
2.000%	September 1, 2020	June 1, 2024	117464UE5

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: SIX HUNDRED FIFTEEN THOUSAND DOLLARS

ON THE MATURITY DATE SPECIFIED ABOVE, BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon calculated on the basis of a 360 day year of twelve 30 day months, from September 1, 2020 on December 1, 2020 and semiannually on each June 1 and December 1 thereafter (an "Interest Payment Date") to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is after any Record Date (hereinafter defined) but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

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 principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at Wells Fargo Bank, N.A., which is the "Registrar" or "Paying Agent/Registrar" for this Bond, at its designated office for payment in Minneapolis, Minnesota. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond

Order") to be on deposit with the Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Registrar by United States mail, first-class postage prepaid, on or before each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the close of business on the fifteenth calendar day of the month (whether or not a business day) preceding each such date whether or not a business day (the "Record Date") on the Register kept by the Registrar listing the names and addresses of the Registered Owners (the "Register"). In addition, interest may be paid by such other method, acceptable to the Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the District and the securities depository.

ANY ACCRUED INTEREST due at maturity of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Registrar, from the "Debt Service Fund" the creation of which is affirmed by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, or day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of September 1, 2020 and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal amount of **\$5,600,000 FOR PURPOSES OF REFUNDING THE REFUNDED BONDS AND PAYING CERTAIN COSTS OF ISSUING THE BONDS**. Terms used herein and not otherwise defined shall have the meanings given in the Bond Order.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the principal denomination in the case of the Bonds, of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Registrar shall not be required to make any such transfer, conversion or exchange of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or Interest Payment Date or (ii) within 45 calendar days prior to its redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

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

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

THE BONDS are payable from the proceeds of an ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order provides that the District reserves the right to consolidate with one or more conservation and reclamation districts, to consolidate its waterworks and sewer systems with the systems of such districts, and to secure the Bonds and any other bonds of the District or such districts by a pledge of the net revenues of the consolidated system. The Bond Order further provides that the pledge of taxes, to

the payment of the Bonds shall terminate at such time, if ever, as (i) money and/or defeasance obligations in an amount sufficient to defease the Bonds is deposited with or made available to the Registrar in accordance with the Bond Order or (ii) a city dissolves the District, and assumes the obligations of the District pursuant to existing Texas law.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, on taxable property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date with respect to the Bonds, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the operation and maintenance of the District's facilities, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owners of the Bonds. By acceptance of this Bond the Registered Owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties provided by the proceeds of the Bonds, is encumbered by any lien for the benefit of the Registered Owner of this Bond.

THE DISTRICT RESERVES THE RIGHT to issue additional bonds heretofore or hereafter duly authorized at elections held in the District payable from a lien on and pledge of taxes; bonds, notes and other obligations of inferior liens, and revenue bonds, notes and other obligations payable solely from revenues of the District or revenues to be received under contracts with other persons, including private corporations, municipalities and political subdivisions or from any other source. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund any bonds (including the Bonds) at or prior to their respective dates of maturity or redemption.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the Registered Owners of the Bonds may be modified with, in certain circumstances, the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the Registered Owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond,

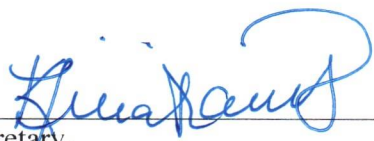
or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Registrar.

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 all taxable property within the District and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

SPECIMEN

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President or Vice President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Secretary or Assistant Secretary of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

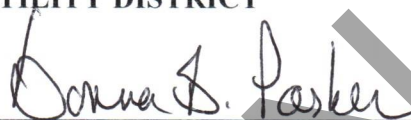


Secretary,
Board of Directors

(DISTRICT SEAL)



**BRUSHY CREEK MUNICIPAL
UTILITY DISTRICT**



President,
Board of Directors

SPECIMEN

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

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

Dated: _____.

WELLS FARGO BANK, N.A.,
Minneapolis, Minnesota
Registrar

By _____
Authorized Representative

SPECIMEN

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee

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

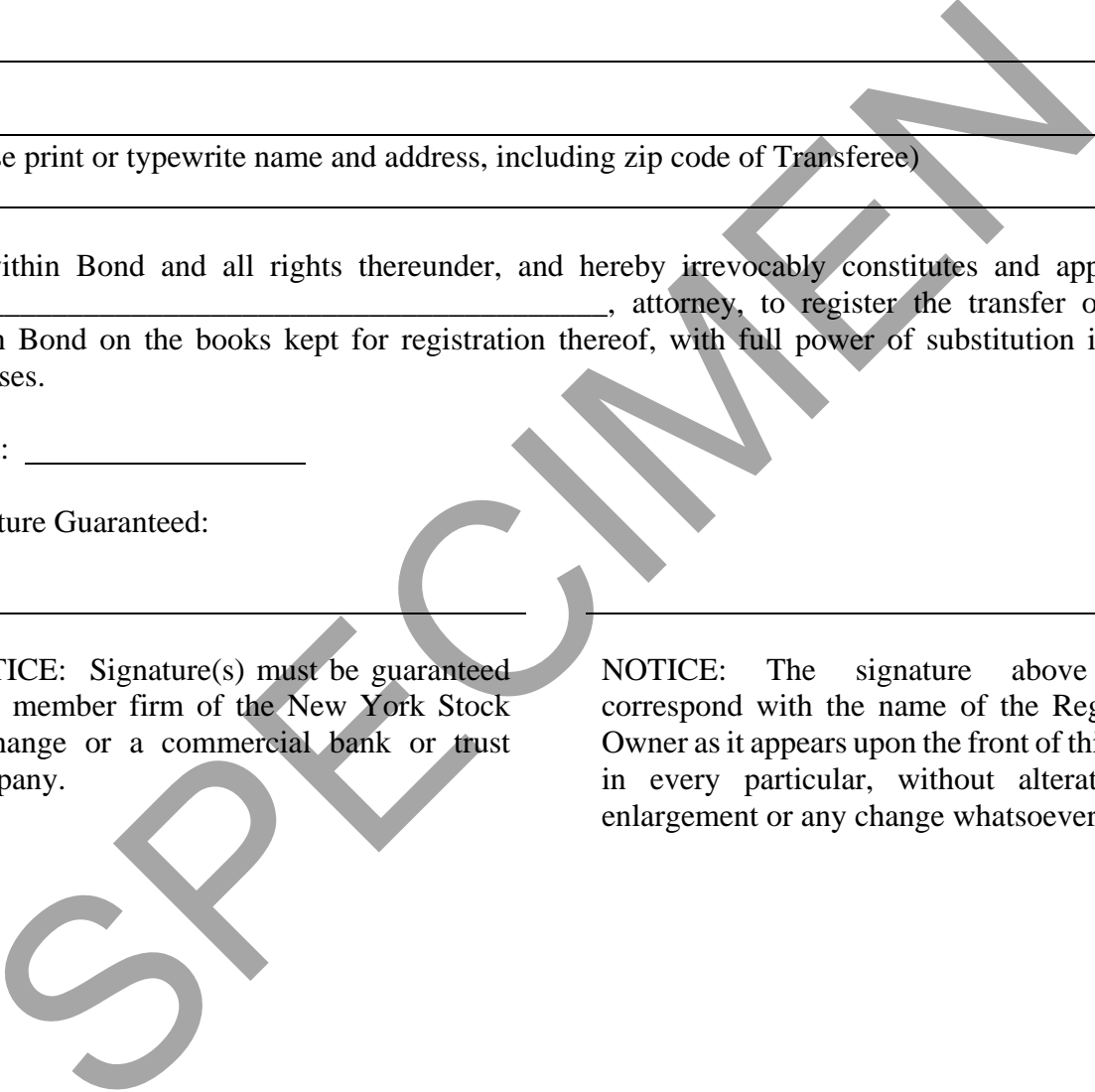
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

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.



STATEMENT OF INSURANCE

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

SPECIMEN

September 3, 2020

Assured Guaranty Municipal Corp.
1633 Broadway - 24th Floor
New York, NY 10019
Attention: Mr. Richard Bauerfeld, Chief Surveillance Officer

Re: *\$5,600,000 Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas), Unlimited Tax Refunding Bonds, Series 2020A, dated: September 01, 2020, June 01, 2024-2025, 2027-2028, (POLICY #220523-N)*

Dear Mr. Bauerfeld:

S&P Global Ratings has reviewed the rating on the above-referenced obligations. After such review, we have changed the rating from "AA-" to "AA" on the above obligations. The rating on the above obligations is based on the policy provided by your company.

We may adjust the underlying rating and the capital charge as a result of changes in the financial position of the issuer or performance of the collateral, or of amendments to the documents governing the issue, as applicable. With respect to the latter, please notify us of any changes or amendments over the term of the debt.

The credit ratings and other views of S&P Global Ratings are statements of opinion and not statements of fact. Credit ratings and other views of S&P Global Ratings are not recommendations to purchase, hold, or sell any securities and do not comment on market price, marketability, investor preference or suitability of any security. While S&P Global Ratings bases its credit ratings and other views on information provided by issuers and their agents and advisors, and other information from sources it believes to be reliable, S&P Global Ratings does not perform an audit, and undertakes no duty of due diligence or independent verification, of any information it receives. Such information and S&P Global Ratings' opinions should not be relied upon in making any investment decision. S&P Global Ratings does not act as a "fiduciary" or an investment advisor. S&P Global Ratings neither recommends nor will recommend how an issuer can or should achieve a particular credit rating outcome nor provides or will provide consulting, advisory, financial or structuring advice.

S&P Global Ratings is pleased to have the opportunity to provide its rating opinion. For more information please visit our website at www.standardandpoors.com. If you have any questions, please contact us. Thank you for choosing S&P Global Ratings.

Sincerely yours,

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a division of Standard & Poor's Financial Services LLC

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S&P Global Ratings
Terms and Conditions Applicable To Public Finance Credit Ratings

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CERTIFICATE FOR ORDER

STATE OF TEXAS
COUNTY OF WILLIAMSON
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT

§
§
§

We, the undersigned officers of the Board of Directors of the Brushy Creek Municipal Utility District, (the "District") hereby certify as follows:

1. The Board of Directors of the District convened in REGULAR MEETING ON THE 8th DAY OF NOVEMBER, 2012, at the designated meeting place (the "Meeting"), and the roll was called of the duly constituted officers and members of the Board, to wit:

Rebecca Tullos	President
Russ Shermer	Vice President
Shean Dalton	Treasurer
Jeffrey Goldstein	Secretary
Paul Tisch	Assistant Secretary/Assistant Treasurer

and all of said persons were present, except the following absentees: none, thus constituting a quorum. Whereupon, among other business, the following was transacted at the Meeting: a written

ORDER AUTHORIZING THE ISSUANCE OF BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS; LEVYING AN AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE ISSUANCE OF THE BONDS


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, the motion, carrying with it the passage of the Order, prevailed and carried by the following vote:

AYES: 5

NOES: 0

2. A true, full and correct copy of the aforesaid Order passed at the Meeting described in the above and foregoing paragraph is attached to and follows this Certificate; that the Order has been duly recorded in the Board's minutes of the Meeting; that 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; that 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; that 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 aforesaid 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; that 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, Government Code, as amended and Section 49.064, Texas Water Code, as amended.

SIGNED AND SEALED this 8th day of November, 2012.


Secretary, Board of Directors


President, Board of Directors

(DISTRICT SEAL)

ORDER AUTHORIZING THE ISSUANCE OF BRUSHY CREEK MUNICIPAL
UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS; LEVYING AN
AD VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN
OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A BOND
PURCHASE AGREEMENT, AN ESCROW AGREEMENT AND A PAYING
AGENT/REGISTRAR AGREEMENT; ESTABLISHING PROCEDURES FOR
SELLING AND DELIVERING THE BONDS; AND AUTHORIZING OTHER
MATTERS RELATED TO THE ISSUANCE OF THE BONDS

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**ORDER AUTHORIZING THE ISSUANCE OF BRUSHY CREEK MUNICIPAL
UTILITY DISTRICT UNLIMITED TAX REFUNDING BONDS; LEVYING AN AD
VALOREM TAX IN SUPPORT OF THE BONDS; APPROVING AN OFFICIAL
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AGREEMENT, AN ESCROW AGREEMENT AND A PAYING AGENT/REGISTRAR
AGREEMENT; ESTABLISHING PROCEDURES FOR SELLING AND DELIVERING
THE BONDS; AND AUTHORIZING OTHER MATTERS RELATED TO THE
ISSUANCE OF THE BONDS**

STATE OF TEXAS §
COUNTY OF WILLIAMSON §
BRUSHY CREEK MUNICIPAL UTILITY DISTRICT §

WHEREAS, Brushy Creek Municipal Utility District, formerly known as Williamson County Municipal Utility District No. 2, (collectively, the "District") was created by an Order of the Texas Water Commission, dated October 27, 1977, under the terms and provisions of Article XVI, Section 59 of the Texas Constitution and Chapters 49 and 54, Texas Water Code, as amended (collectively, the "Act"), together with all amendments and additions thereto, and the District has all the rights, powers, privileges, authority and functions conferred by and is subject to all duties imposed by the Texas Water Code and the general laws relating to municipal utility districts; and

WHEREAS, the District is authorized by the Act to issue bonds for the purpose of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending any District works, improvement facilities, plants, equipment, and appliances needed to accomplish the purposes for which the District was created, including works, improvements, facilities, plants, equipment, and appliances needed to provide a waterworks system, sanitary sewer system, storm sewer system, solid waste and disposal system; and

WHEREAS, at an election held on November 6, 2001 (the "Bond Election") the voters of the District authorized the issuance of bonds in one or more issues or series in the maximum amount of \$39,100,000 maturing serially or otherwise in such installments as are fixed by the Board of Directors of the District over a period or periods not exceeding 40 years from their date or dates, bearing interest at any rate or rates and to sell said bonds at any price or prices, provided that the net effective interest rate, on any issue or series shall not exceed the maximum legal limit in effect at the time of the issuance of each such issues or series of said bonds, all as may be determined by the Board of Directors of the District, for the purpose or purposes of purchasing, constructing, acquiring, owning, operating, repairing, improving or extending inside and outside its boundaries a water supply project including, but not limited to, all additions to such project and all works, improvements, facilities, land, plants, equipment, appliances, interests in property and contract rights needed therefor and administrative facilities needed in connection therewith, and to refund any bonds or other evidences of indebtedness issued by the District in an amount not to exceed one and one-half times the amount of bonds or other evidences of indebtedness issued by the District and to provide for the payment of principal and interest on such bonds by the levy and

collection of a sufficient tax upon all taxable property within the District, all as authorized by the constitution and laws of the State of Texas; and

WHEREAS, the District currently has outstanding the following ad valorem tax bonds: \$3,285,000 Brushy Creek Municipal Utility District Waterworks and Sewer System Combination Unlimited Tax and Revenue Bonds, Series 2004, \$9,500,000 Brushy Creek Municipal Utility District Unlimited Tax Bonds, Series 2005, \$7,725,000 Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2007, \$7,960,000 Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2009, \$17,190,000 Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2010, \$2,085,000 Brushy Creek Municipal Utility District Unlimited Tax Refunding Bonds, Series 2011 (collectively the "Outstanding Bonds"); and

WHEREAS, the District now desires to issue refunding bonds to refund all or part of the Outstanding Bonds (the "Refundable Bonds", and those Refundable Bonds designated by the Pricing Officer in the Pricing Certificate, each as defined herein, to be refunded are herein referred to as the "Refunded Bonds"); and

WHEREAS, all the Refunded Bonds mature or are subject to redemption prior to maturity within 20 years of the date of the bonds hereinafter authorized; and

WHEREAS, the refunding bonds hereafter authorized are being issued and delivered pursuant to Chapter 1207, Texas Government Code, as amended ("Chapter 1207"); and

WHEREAS, Chapter 1207 authorizes the District to issue refunding bonds and to deposit the proceeds from the sale thereof together with any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Bonds or eligible trust company or commercial bank, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Bonds; and

WHEREAS, the Board of Directors of the District deems it advisable and in the best interest of the District to refund the Refunded Bonds in order to achieve a net present value debt service savings of not less than 3.0% of the principal amount of the Refunded Bonds net of any District contribution with such savings, among other information and terms to be included in a pricing certificate to be executed by the General Manager of the District or in his absence the President of the Board of Directors, acting as the designated pricing officer of the District, all in accordance with the provisions of Chapter 1207, including Section 1207.007 thereof.

THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS OF THE BRUSHY CREEK MUNICIPAL UTILITY DISTRICT:

ARTICLE ONE

PREAMBLE

SECTION 1.01 **INCORPORATION OF PREAMBLE.** The Board of Directors of the Brushy Creek Municipal Utility District (the "District") hereby incorporates the recitals set forth in the preamble hereto as if set forth in full at this place and further finds and determines that the recitals are true and correct.

ARTICLE TWO

DEFINITIONS AND INTERPRETATIONS

SECTION 2.01. **DEFINITIONS.** For all purposes of this Bond Order, except as otherwise expressly provided or unless the context otherwise requires, the terms defined in Exhibit "A" to this Order have the meanings assigned to them in Exhibit "A".

SECTION 2.02. **INTERPRETATIONS.** The titles and headings of the articles and sections and the page numbers of this Bond Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Bond Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the taxes levied in payment thereof.

ARTICLE THREE

**AUTHORIZATION, REGISTRATION, EXECUTION,
AND AUTHENTICATION OF BONDS**

SECTION 3.01. **AMOUNT, NAME, PURPOSE, AND AUTHORIZATION.** Each Bond issued pursuant to this Bond Order shall be known and designated: "BRUSHY CREEK MUNICIPAL UTILITY DISTRICT UNLIMITED TAX REFUNDING BOND, and the Bonds are hereby authorized to be issued and delivered in the maximum aggregate principal amount not to exceed \$7,500,000 for the purpose of refunding the Refunded Bonds and paying certain costs of issuing the Bonds. The title of each of the Bonds shall be designated by the year in which it is awarded pursuant to Section 3.02 below.

The authority for the Pricing Officer to execute and deliver a Pricing Certificate for the Bonds shall expire at 5:00 p.m. C.D.T. on April 6, 2013. Bonds priced on or before April 6, 2013 may be delivered to the initial purchaser after such date.

SECTION 3.02. **DATE, DENOMINATIONS, NUMBERS, DELEGATION TO PRICING OFFICER.** (a) There initially shall be issued, sold and delivered fully registered bonds, without interest coupons, which may be in the form of Current Interest Bonds or Premium Compound Interest Bonds, numbered consecutively from R-1 upward, in the case of Current

Interest Bonds, and from PC-1 upward, in the case of Premium Compound Interest Bonds (except the initial Bonds delivered to the Attorney General of the State of Texas which shall be numbered T-1 and TPC-1, respectively) payable to the respective initial Registered Owners thereof, or to the registered assignee or assignees of said Bonds or any portion or portions thereof, in Authorized Denominations, maturing not later than December 31, 2028 serially or otherwise on the dates, in the years and in the principal amounts, respectively, and dated, all as set forth in the Pricing Certificate to be executed and delivered by the Pricing Officer pursuant to subsection (b) of this Section. The Pricing Certificate is hereby incorporated in and made a part of this Bond Order.

(b) As authorized by Section 1207.007, Texas Government Code, as amended, the Pricing Officer is hereby authorized to act on behalf of the District in selling and delivering the Bonds, determining which of the Refundable Bonds shall be refunded and constitute "Refunded Bonds" under this Bond Order and carrying out the other procedures specified in this Bond Order, including determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the aggregate principal amount of Current Interest Bonds and Premium Compound Interest Bonds, the rate or rates of interest to be borne by each such maturity, the interest payment periods, the dates; price, and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the District, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Bonds, all of which shall be specified in the Pricing Certificate; provided that (i) the price to be paid for the Bonds shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from its date to its delivery, (ii) none of the Bonds shall bear interest at a rate, or yield in the case of Premium Compound Interest Bonds, greater than the maximum authorized by law, and (iii) the refunding must produce a net present value debt service savings of at least 3.0% of the principal amount of the Refunded Bonds, net of any District contribution. In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not to exceed the amount authorized in Section 3.01, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds.

In satisfaction of Section 1201.022(a)(3), Texas Government Code, the District hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms and conditions of the Bonds as set forth in this Bond Order is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated in each Pricing Certificate will be, in the best interests and shall have the same force and effect as if such determination were made by the District and the Pricing Officer is hereby authorized to make and include in each Pricing Certificate an appropriate finding to that effect.

(c) To achieve advantageous borrowing costs for the District, the Bonds shall be sold on a negotiated, placement or competitive basis as determined by the Pricing Officer in the Pricing Certificate. In determining whether to sell the Bonds by negotiated, placement or competitive sale, the Pricing Officer shall take into account any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale and any other matters which, in the judgment of the Pricing Officer, might affect the net borrowing costs on the Bonds.

If the Pricing Officer determines that the Bonds should be sold at a competitive sale, the Pricing Officer shall cause to be prepared a notice of sale and official statement in such manner as the Pricing Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Pricing Officer determines that the Bonds should be sold by a negotiated sale or placement, the Pricing Officer shall designate the placement purchaser or the Underwriters for the Bonds and such additional investment banking firms as the Pricing Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the District. The Pricing Officer, acting for and on behalf of the District, is authorized to enter into and carry out a bond purchase agreement or other agreement for the Bonds to be sold by negotiated sale or placement, with the Underwriters or placement purchasers at such price, with and subject to such terms as determined by the Pricing Officer pursuant to Section 3.02(b) above. Each bond purchase agreement or other agreement shall be substantially in the form and substance previously approved by the District in connection with the authorization of ad valorem tax debt with such changes as are acceptable to the Pricing Officer.

(d) The Current Interest Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in this Order to their respective dates of maturity or redemption at the rates per annum set forth in the Pricing Certificate.

The Premium Compound Interest Bonds shall bear interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded on the Compounding Dates as set forth in the Pricing Certificate, and payable, together with the principal amount thereof, in the manner provided in the Form of Bonds at the rates set forth in the Pricing Certificate. Attached to the Pricing Certificate, if Premium Compound Interest Bonds are to be issued, shall be the Accretion Table. The Accreted Value with respect to any date other than a Compounding Date is the amount set forth on the Accretion Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Accretion Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

SECTION 3.03. PAYMENT OF PRINCIPAL AND INTEREST. The Registrar is hereby appointed as the paying agent for the Bonds. The principal of 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, upon their presentation and surrender as they become due and payable, whether at maturity or by prior redemption in the case of the Bonds, at the office for payment of the

Registrar. The interest on each Bond shall be payable on as set forth in the Pricing Certificate by check or draft payable on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Registered Owner as shown on the Register on the Record Date or, at the request of a Registered Owner, and at the Registered Owner's risk and expense, in such other manner as may be acceptable to the Registered Owner and the Registrar. Any accrued interest payable at maturity or earlier redemption, in the case of the Bonds, shall be paid upon presentation and surrender of the Bond to which such interest appertains.

If the date for payment on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day, and payment on such date shall have the same force and effect as if made on the original date payment was due.

SECTION 3.04. SUCCESSOR REGISTRARS. The District covenants that at all times while any Bonds are outstanding it will provide a bank, trust company, financial institution or other entity duly qualified and duly authorized to act as Registrar for the Bonds. The District reserves the right to change the Registrar on not less than 60 days written notice to the Registrar, so long as any such notice is effective at such time as to not disrupt payment on the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or copies thereof to the new Registrar, and the new Registrar shall notify each Registered Owner, by United States mail, first-class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Section.

SECTION 3.05. SPECIAL RECORD DATE. If interest on any Bond is not paid on any Interest Payment Date and continues unpaid for 30 days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be 15 days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first-class, postage prepaid, not later than 5 days prior to the Special Record Date, to each affected Registered Owner of record as of the close of business on the day prior to the mailing of such notice.

SECTION 3.06. REGISTERED OWNERS. The District, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Registered Owner of such Bond for the purpose of making payment of principal or interest on such Bond, and for all other purposes, whether or not such Bond is overdue, and neither the District, nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Registered Owner of any Bond in accordance with this Section 3.06 shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

SECTION 3.07. EXECUTION OF BONDS. The Bonds shall be signed on behalf of the District by the President of the Board of Directors and attested by the Secretary, by their

manual, lithographed, or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. The facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and the facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

SECTION 3.08. AUTHENTICATION. The Initial Bond shall bear thereon a certificate of registration of the Comptroller of Public Accounts of the State of Texas, substantially in the form provided in Section 6.02 of this Bond Order, manually executed by the Comptroller or a duly authorized deputy. All other Bonds shall bear a certificate of authentication, substantially in the form provided in Section 6.03 of this Bond Order, manually executed by an authorized officer of the Registrar. No Bond shall be valid or obligatory for any purpose unless either the registration certificate of the Comptroller or the authentication certificate of the Registrar has been signed by a duly authorized officer thereof.

ARTICLE FOUR

REGISTRATION, TRANSFER, AND EXCHANGE

SECTION 4.01. REGISTRATION, TRANSFER, AND EXCHANGE. So long as any Bonds remain Outstanding, the Registrar shall keep at its designated office for payment the Register, in which, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Bond Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the designated office for payment of the Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Registered Owner or an authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond for transfer, the Registrar shall authenticate and deliver in exchange therefor, within 72 hours after such presentation, a new Bond or Bonds of the same type, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount, and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the designated office for payment of the Registrar for a Bond or Bonds of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section 4.01. Each Bond delivered in accordance with this Section 4.01 shall be entitled to the benefits and security of this Bond Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Registrar may require the Registered 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 Registrar for such transfer or exchange shall be paid by the District.

SECTION 4.02. MUTILATED, LOST, OR STOLEN BONDS. Upon the presentation and surrender to the Registrar of a mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like amount, bearing a number not contemporaneously outstanding.

The District or the Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like amount, bearing a number not contemporaneously outstanding.

The District or the Registrar may require the Registered Owner of a mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith and any other expenses connected therewith, including the fees and expenses of the Registrar. The District or the Registrar may require the Registered Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

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

If, after the delivery of such replacement Bond, a bona fide purchaser of the original Bond which such replacement Bond was issued presents for payment such original Bond, the District and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to

recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

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

Each replacement Bond delivered in accordance with this Section 4.02 shall be entitled to the benefits and security of this Bond Order to the same extent as the Bond or Bonds in lieu of which such replacement is delivered.

SECTION 4.03. CANCELLATION OF BONDS. All Bonds paid in accordance with this Bond Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated, registered, and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange, or replacement. This Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

SECTION 4.04. BOOK-ENTRY-ONLY SYSTEM. (a) Book-Entry-Only System. The Bonds issued in exchange for the Initial Bond issued as provided in Section 3.02 shall be issued in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (b) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, but to the extent permitted by law, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective Registered Owners, as shown in the

Registration Books as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Bond evidencing the obligation of the District to make payments of principal, and interest pursuant to this Bond Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Bond Order with respect to interest checks being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

(b) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the District determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Bonds, the District shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Bond shall designate, in accordance with the provisions of this Order.

(c) Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Letter of Representations of the District to DTC.

(d) DTC Blanket Letter of Representations. The District confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds.

(e) Initial Bond. The Bonds herein authorized shall be initially issued as a fully registered bond, being one Bond, and the Initial Bond shall be registered in the name of the Underwriter or the designees thereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Underwriter. Immediately after the delivery of the Initial Bond on the closing date, the Paying Agent/Registrar shall cancel the Initial Bond delivered hereunder and exchange therefor Bonds in the form of a separate single fully registered Bond for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 4.04(b) and 3.02(a), all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

ARTICLE FIVE

REDEMPTION OF BONDS BEFORE MATURITY

SECTION 5.01. REDEMPTION OF BONDS. The Bonds are subject to redemption as set forth in the Pricing Certificate.

ARTICLE SIX

FORM OF BOND

SECTION 6.01. FORM OF BOND. The Bonds authorized by this Bond Order shall be in substantially the following form, with such omissions, insertions, and variations, including variations in form, spacing, and style, as may be necessary and desirable and consistent with the terms of this Bond Order and the Pricing Certificate. The District shall provide sufficient printed bond forms, duly executed by the District, to the Registrar for registration, authentication, and delivery of the Bonds in accordance with the provisions of this Bond Order.

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF TEXAS

BRUSHY CREEK MUNICIPAL UTILITY DISTRICT
UNLIMITED TAX REFUNDING BOND
SERIES _____*

[FORM OF FIRST PARAGRAPHS OF CURRENT INTEREST BONDS]

NO. R-

PRINCIPAL
AMOUNT

\$ _____

INTEREST RATE DATE OF BONDS MATURITY DATE CUSIP NO.

REGISTERED OWNER:

PRINCIPAL AMOUNT:

* As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

ON THE MATURITY DATE SPECIFIED ABOVE, BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assign (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon calculated on the basis of a 360 day year of twelve 30 day months, from _____* on _____* and semiannually on each _____* and _____* thereafter (an "Interest Payment Date") to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the Interest Payment Date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following Interest Payment Date, in which case such principal amount shall bear interest from such next following Interest Payment Date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

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 principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity or upon the date fixed for its redemption prior to maturity at Wells Fargo Bank, N.A., which is the "Registrar" or "Paying Agent/Registrar" for this Bond, at its designated office for payment in Dallas, Texas. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each Interest Payment Date by check or draft, dated as of such Interest Payment Date, drawn by the Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Registrar by United States mail, first-class postage prepaid, on or before each such Interest Payment Date, to the Registered Owner hereof, at its address as it appeared on the fifteenth (15th) calendar day of the month next preceding each such date whether or not a business day (the "Record Date") on the Register kept by the Registrar listing the names and addresses of the Registered Owners (the "Register"). In addition, interest may be paid by such other method, acceptable to the Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 calendar days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment

* As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

date of the past due interest (which shall be 15 calendar days after the Special Record Date) shall be sent at least 5 business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner as it appears on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the District and the securities depository.

ANY ACCRUED INTEREST due at maturity or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the designated office for payment of the Paying Agent/Registrar. The District covenants with the Registered Owner of this Bond that on or before each principal payment date, interest payment date, and any redemption date for this Bond it will make available to the Registrar, from the "Debt Service Fund" the creation of which is affirmed by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

**[FORM OF FIRST PARAGRAPHS
OF PREMIUM COMPOUND INTEREST BOND]**

NO. PC-

**MATURITY
AMOUNT**

\$ _____

<u>INTEREST RATE</u>	<u>ISSUANCE DATE</u>	<u>DATE OF BONDS</u>	<u>MATURITY DATE</u>
-----------------------------	-----------------------------	-----------------------------	-----------------------------

_____*

REGISTERED OWNER:

MATURITY AMOUNT:

* As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

ON THE MATURITY DATE SPECIFIED ABOVE, BRUSHY CREEK MUNICIPAL UTILITY DISTRICT (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Maturity Amount set forth above, representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, calculated on the basis of a 360 day year comprised of twelve 30 day months, compounded semiannually on _____* and _____* of each year commencing _____, 20____*. For convenience of reference a table of the "Accreted Value" per \$5,000 Maturity Amount is printed on the reverse side of this Bond. The term "Accreted Value" as set forth in the table on the reverse side hereof shall mean the original principal amount plus initial premium per \$5,000 Maturity Amount compounded semiannually on _____* and _____* at the yield shown on such table.

THE MATURITY AMOUNT of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Maturity Amount of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, at the designated office for payment of Wells Fargo Bank, N.A., which is the "Paying Agent/Registrar" for this Bond, and shall be drawn by the Paying Agent/Registrar on, and solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the Registered Owner hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The District covenants with the Registered Owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Debt Service Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds of the Maturity Amount, when due. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the District and the securities depository.

[FORM OF REMAINDER OF EACH BOND]

IF THE DATE for any payment due on this Bond shall be a Saturday, Sunday, or a day on which the Paying Agent/Registrar is authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, or day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed; and payment on such date shall have the same force and effect as if made on the original date payment was due.

THIS BOND is one of a series of Bonds dated as of _____* and authorized to be issued pursuant to the Bond Order adopted by the Board of Directors of the District in the principal

* As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

amount of \$ _____* [constituting \$ _____ Current Interest Bonds and \$ _____ Premium Compound Interest Bonds]** **FOR PURPOSES OF REFUNDING THE REFUNDED BONDS AND PAYING CERTAIN COSTS OF ISSUING THE BONDS.** Terms used herein and not otherwise defined shall have the meanings given in the Bond Order.

ON _____, 20__* **OR ON ANY DATE THEREAFTER**, the Current Interest Bonds maturing on and after _____, 20__*, may be redeemed prior to their scheduled maturities, at the option of the District, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Current Interest Bonds, or portions thereof, to be redeemed shall be selected and designated by the District, and if less than all of a maturity is to be redeemed the Registrar shall determine by lot the Current Interest Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Current Interest Bond may be redeemed only in integral multiples of \$5,000 of principal amount). The Premium Compound Interest Bonds are not subject to redemption prior to maturity.

[**THE BONDS** maturing on _____, 20__ (the "Term Bonds") are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

Bonds Maturing _____, 20__

Redemption Date	Principal Amount
_____, 20__	\$
_____, 20__†	†

†Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the District, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with monies in the Debt Service Fund at a price not exceeding the principal amount of the Term Bonds plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.]*

* To be included only if Current Interest Bonds and Premium Compound Interest Bonds are both issued and completed as determined in the Pricing Certificate.

† As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this

AT LEAST 30 calendar days prior to the date fixed for any redemption of Current Interest Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Current Interest Bond to be redeemed at its address as it appeared on the Register on the 45th calendar day prior to such redemption date and to major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Registrar for the payment of the required redemption price for the Current Interest Bonds or portions for which such payment is made, all as provided above. The Current Interest Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Registrar out of the funds provided for such payment. If a portion of any Current Interest Bond shall be redeemed, a substitute Current Interest Bond or Bonds having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Order.

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

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the principal denomination in the case of the Bonds, of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Registrar for cancellation, all in

Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The Form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Registrar shall not be required to make any such transfer, conversion or exchange of any Bond or any portion thereof (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or Interest Payment Date or (ii) within 45 calendar days prior to its redemption date; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

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

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

THE BONDS are payable from the proceeds of an ad valorem tax, without legal limit as to rate or amount, levied upon all taxable property within the District. The Bond Order provides that the District reserves the right to consolidate with one or more conservation and reclamation districts, to consolidate its waterworks and sewer systems with the systems of such districts, and to secure the Bonds and any other bonds of the District or such districts by a pledge of the net revenues of the consolidated system. The Bond Order further provides that the pledge of taxes, to the payment of the Bonds shall terminate at such time, if ever, as (i) money and/or defeasance obligations in an amount sufficient to defease the Bonds is deposited with or made available to the Registrar in accordance with the Bond Order or (ii) a City dissolves the District, and assumes the obligations of the District pursuant to existing Texas law.

THE BONDS are issued pursuant to the Bond Order, whereunder the District covenants to levy a continuing direct annual ad valorem tax, without legal limit as to rate or amount, on taxable

property within the District, for each year while any part of the Bonds are considered outstanding under the provisions of the Bond Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date with respect to the Bonds, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Bond Order. Reference is hereby made to the Bond Order for provisions with respect to the operation and maintenance of the District's facilities, the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Registered Owners of the Bonds. By acceptance of this Bond the Registered Owner hereof consents to all of the provisions of the Bond Order, a certified copy of which is on file in the office of the District.

THE OBLIGATION to pay the principal of and the interest on this Bond is solely and exclusively the obligation of the District until such time, if ever, as the District is abolished and this Bond is assumed as described above. No other entity, including the State of Texas, any political subdivision thereof other than the District, or any other public or private body, is obligated, directly, indirectly, contingently, or in any other manner, to pay the principal of or the interest on this Bond from any source whatsoever. No part of the physical properties of the District, including the properties provided by the proceeds of the Bonds, is encumbered by any lien for the benefit of the Registered Owner of this Bond.

THE DISTRICT RESERVES THE RIGHT to issue additional bonds heretofore or hereafter duly authorized at elections held in the District payable from a lien on and pledge of taxes; bonds, notes and other obligations of inferior liens, and revenue bonds, notes and other obligations payable solely from revenues of the District or revenues to be received under contracts with other persons, including private corporations, municipalities and political subdivisions or from any other source. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund any bonds (including the Bonds) at or prior to their respective dates of maturity or redemption.

TO THE EXTENT permitted by and in the manner provided in the Bond Order, the terms and provisions of the Bond Order and the rights of the Registered Owners of the Bonds may be modified with, in certain circumstances, the consent of the Registered Owners of a majority in aggregate principal amount of the Bonds affected thereby; provided, however, that, without the consent of the Registered Owners of all of the Bonds affected, no such modification shall (i) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof or the rate of interest thereon, or in any other way modify the terms of payment of the principal of or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of the Bonds required for consent to any such modification.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Bond Order unless this Bond either (a) is registered by the Comptroller of Public Accounts of the State of Texas as evidenced by execution of the registration certificate endorsed hereon or (b) is authenticated as evidenced by execution of the authentication certificate endorsed hereon by the Registrar.

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 all taxable property within the District and that issuance of the Bonds does not exceed any constitutional or statutory limitation. In the event that any provisions herein contained do or would, presently or prospectively, operate to make any part hereof void or voidable, such provisions shall be without effect or prejudice to the remaining provisions hereof, which shall nevertheless remain operative, and such violative provisions, if any, shall be reformed by a court of competent jurisdiction within the limits of the laws of the State of Texas.

IT IS FURTHER CERTIFIED that the District has designated the Bonds as "qualified tax-exempt obligations" within the meaning of Section 265(b) of the Internal Revenue Code of 1986.

IN WITNESS WHEREOF, the District has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Directors of the District and countersigned with the manual or facsimile signature of the Vice President of the Board of Directors of the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

**BRUSHY CREEK MUNICIPAL
UTILITY DISTRICT**

Secretary [Assistant Secretary], Board of
Directors

President [Vice-President], Board of
Directors

(DISTRICT SEAL)

INSERTIONS FOR INITIAL BONDS

- (i) The Initial Current Interest Bond shall be in the form set forth in this Section, except that:
- A. immediately under the name of the Current Interest Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph of the Current Interest Bond shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED BELOW, Brushy Creek Municipal Utility District (the "District"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on _____* in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal</u> <u>Amount</u>	<u>MaturityDate</u> <u>()</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>()</u>	<u>Interest</u> <u>Rate</u>
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(Information from Pricing Certificate to be inserted)

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

C. The Initial Current Interest Bond shall be numbered "T-1".

(ii) The Initial Compound Interest Bond shall be in the form set forth in this Section, except that:

~~A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.~~

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

* As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

"BRUSHY CREEK MUNICIPAL UTILITY DISTRICT, in Williamson County, Texas (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the Payment at Maturity on _____* in each of the years and in installments of the respective Maturity Amounts set forth in the following schedule:

<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>()</u>	<u>Interest</u> <u>Rate</u>	<u>Principal</u> <u>Amount</u>	<u>Maturity Date</u> <u>()</u>	<u>Interest</u> <u>Rate</u>
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(Information for the Premium Compound Interest Bonds from the Pricing Certificate to be inserted)

The amount shown above as the respective Maturity Amounts represent the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____* and _____* of each year commencing _____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table."

C. the Initial Premium Compound Interest Bond shall be numbered "TPC-1."

SECTION 6.02. REGISTRATION OF INITIAL BOND BY STATE COMPTROLLER AND CERTIFICATE. The Initial Bond shall be registered by the Comptroller of Public Accounts of the State of Texas as provided by law. The registration certificate of the Comptroller of Public Accounts of the State of Texas shall be printed on the face of the Initial Bond and shall be in substantially the following form:

*As provided in the Pricing Certificate. To the extent that the Pricing Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete the missing information in this Form of Bond, the language in the Pricing Certificate shall be used in the executed Bonds.

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 of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

SECTION 6.03. FORM OF AUTHENTICATION CERTIFICATE. The following form of authentication certificate shall be printed on the face of each of the Bonds other than the Initial Bond:

**PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)**

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

Dated:

Registrar

By

Authorized Representative

SECTION 6.04. FORM OF ASSIGNMENT. A form of assignment shall be printed on the back of each of the Bonds and shall be in substantially the following form:

ASSIGNMENT

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

Please insert Social Security or Taxpayer
Identification Number of Transferee

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

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____, attorney, to register the transfer of the within Bond on 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.

SECTION 6.05. CUSIP REGISTRATION. The President of the Board of Directors may secure the printing of identification numbers on the Bonds through the CUSIP Service Bureau.

SECTION 6.06. LEGAL OPINION AND BOND INSURANCE. The approving opinion of McCall, Parkhurst & Horton L.L.P. may be printed on the back of the Bonds over the certification of the Secretary of the Board of Directors which may be executed in facsimile. In

addition, if any bond insurance is obtained, any statement of insurance may be placed on the Bonds.

ARTICLE SEVEN

SECURITY OF THE BONDS

SECTION 7.01. GENERAL. The Bonds are secured by and payable from the levy of a continuing, direct annual ad valorem tax, without legal limitation as to rate or amount, upon all taxable property within the District.

SECTION 7.02. LEVY OF TAX. (a) To pay the interest on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes, there is hereby levied, and there shall be assessed and collected in due time, a continuing, direct annual ad valorem tax without limit as to rate or amount on all taxable property in the District for each year while any of the Bonds are outstanding. All of the proceeds of such collections, except expenses incurred in that connection, shall be paid into the Debt Service Fund, and the aforementioned tax and such payments into such fund shall continue until the Bonds and the interest thereon have been fully paid and discharged, and such proceeds shall be used for such purposes and no other. While said Bonds, or any of them, are outstanding and unpaid, an ad valorem tax will be ample and sufficient to provide funds to pay the interest on said Bonds and to provide the necessary sinking fund to pay the principal when due, full allowance being made for delinquencies and costs of collection, together with revenues and receipts from other sources that are legally available and appropriated for such purpose, shall be levied and collected and applied to the payment of principal and interest on the Bonds, as follows:

- (1) By September 1 in each year, or as soon thereafter as practicable, the Board shall consider the taxable property in the District and determine the actual rate per \$100 valuation of taxable property which is to be levied in that year and levy the tax against all taxable property in the District.
- (2) In determining the actual rate to be levied in each year, the Board shall consider among other things:
 - (i) the amount which should be levied for maintenance and operation purposes;
 - (ii) the amount which should be levied for the payment of principal, interest, and redemption price of the bonds or notes payable in whole or in part from taxes;
 - (iii) the amount which should be levied for the purpose of paying all other contractual obligations of the District payable in whole or in part from taxes; and

- (iv) the percentage of anticipated tax collections and the cost of collecting the taxes.
- (3) In determining the amount of taxes which should be levied each year, the Board shall consider whether proceeds from the sale of Bonds have been placed in the Debt Service Fund to pay interest on the Bonds and whether the Board reasonably expects to have revenue or receipts available from other sources which are legally available and appropriated to pay debt service on the Bonds.

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

SECTION 7.03. PAYMENT OF BONDS AND PERFORMANCE OF OBLIGATIONS. The District covenants to pay promptly the principal of and interest on the Bonds as the same become due and payable, whether at maturity or by prior redemption, in accordance with the terms of the Bonds and this Bond Order, and to keep and perform faithfully all of its covenants, undertakings, and agreements contained in this Bond Order, or in any Bond executed, authenticated, and delivered hereunder.

SECTION 7.04. CONSOLIDATION OR DISSOLUTION OF DISTRICT. To the extent provided by law, the pledge of taxes set forth in Section 7.02 will terminate if a city takes over all properties and assets, assumes all debts, liabilities, and obligations, and performs all functions and services of the District, and the District is abolished pursuant to law.

The laws of the State of Texas permit the District to be consolidated with one or more conservation and reclamation districts. In the event the District is consolidated with another district or districts, the District reserves the right to:

- (i) Consolidate the System with a similar system of one or more districts with which the District is consolidating and operate and maintain the systems as one consolidated system (herein for purposes of this section the "Consolidated System").
- (ii) Apply the net revenues from the operation of the Consolidated System to the payment of principal, interest, redemption price and bank charges on the revenue bonds or the combination tax and revenue bonds (herein for purposes of this section the "Revenue Bonds") of the District and of the district or districts with which the District is consolidating (herein collectively the "Consolidating Districts") without preference to any

series of bonds (except subordinate lien revenue bonds which shall continue to be subordinate to the first lien Revenue Bonds of the Consolidating Districts).

(iii) Pledge the net revenues of the Consolidated System to the payment of principal, interest, redemption price and bank charges on Revenue Bonds which may be issued by the Consolidating Districts on a parity with the outstanding first lien Revenue Bonds of the Consolidating Districts.

ARTICLE EIGHT

FLOW OF FUNDS AND INVESTMENTS

SECTION 8.01. FUNDS, FLOW OF FUNDS, APPLICATION OF FUNDS AND INVESTMENTS.

(a) Designation of Funds. The following funds are hereby created or affirmed:

- (i) the Operating Fund;
- (ii) Debt Service Fund for the Bonds; and
- (iii) Series 2013 Escrow Fund.

Each fund shall be kept on the books and records of the District separate and apart from all other funds of the District. The Debt Service Fund for the Bonds shall constitute a trust fund which shall be held in trust for the benefit of the owners of the Bonds. All other funds shall be used solely as provided in this Bond Order until all of the Bonds have been retired, both as to principal and interest.

(b) Operating Fund. The Operating Fund of the District is hereby confirmed. The Operating Fund shall comprise the fund of the District used for operating and maintaining the System and paying general and administrative expenses of the District. The District shall deposit to the credit of the Operating Fund all income or increment which may grow out of the ownership and operation of the System and the District may deposit to the credit of the Operating Fund such other income or receipts of the District not otherwise required to be applied by this Bond Order. The Operating Fund shall be used solely (i) to pay all reasonable expenses of the administration, efficient operation, and adequate maintenance of the System, (ii) to transfer from time to time any excess to the credit of the Debt Service Fund when needed to pay the obligations of the District payable therefrom, and (iii) to the extent the balance of the Debt Service Fund and tax collections available for deposit thereto are sufficient to pay when due the obligations of the District payable from the Debt Service Fund, to pay any other expense of the District.

(c) Escrow Fund. The proceeds from the sale of the Bonds after making any deposit to the Debt Service Fund with accrued interest provided and paying or making provisions for the

payment of the costs in connection with issuing the Bonds, shall be deposited into the Escrow Fund as described in the Escrow Agreement.

SECTION 8.02. SECURITY OF FUNDS. Any cash balance in any fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be continuously secured in the manner provided by law for the security of funds of counties of the State of Texas.

SECTION 8.03. DEBT SERVICE FUND; TAX LEVY. The District shall deposit or cause to be deposited into the Debt Service Fund the aggregate of the following at the time specified:

- (a) As soon as practicable after the Bonds are sold, accrued interest on the Bonds from their date to the date of their delivery; and
- (b) The proceeds from collection of the ad valorem taxes levied, assessed and collected for and on account of the Bonds pursuant to Section 7.02 hereof, less costs of collection, as collected.

On or before the date for payment of the principal and/or Interest Payment Date on the Bonds, the Board of Directors shall cause the transfer of moneys out of the Debt Service Fund to the Registrar in an amount not less than that which is sufficient to pay the principal which matures on such date and the interest which accrues on such date. The District shall pay fees and charges of the Registrar for its services as paying agent and registrar for the Bonds from the Debt Service Fund.

SECTION 8.04. INVESTMENTS; EARNINGS. Moneys deposited into the Debt Service Fund and the Operating Fund may lawfully create may be invested or reinvested in Authorized Investments. All investments and any profits realized from and interest accruing on investments made from any fund may be transferred to the Debt Service Fund. If any moneys are so invested, the District shall have the right to have sold in the open market a sufficient amount of such investments to meet its obligations in the event any fund does not have sufficient uninvested funds on hand to meet the obligations payable out of such fund. After such sale the moneys resulting therefrom shall belong to the fund from which the moneys for such investments were initially taken. The District shall not be responsible to the Registered Owners for any loss arising out of the sale of any investments.

ARTICLE NINE

APPLICATION OF FUNDS

SECTION 9.01. BOND PROCEEDS. Proceeds from the sale of the Bonds will be disbursed in accordance with this Article.

SECTION 9.02. ACCRUED INTEREST. Moneys received from the purchaser of the Bonds representing accrued interest, if any, on the Bonds from their date to the date of their actual delivery shall be deposited into the Debt Service Fund.

SECTION 9.03. ESCROW FUND. Other than bond proceeds deposited to the Debt Service Fund or used to pay costs of issuance, all Bond proceeds shall be deposited in the Escrow Fund to defease and redeem the Refunded Bonds.

ARTICLE TEN

PROVISIONS CONCERNING FEDERAL INCOME TAX EXCLUSION

SECTION 10.01. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the "Code"), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

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

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

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

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

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

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

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a current refunding bond, for a period of 90 days and in the case of an advance refunding bond, for a period of 30 days,

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

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

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

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

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

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

(c) Proceeds. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the Refunded Bonds not expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended

to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President of the Board of Directors and General Manager to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

(d) Disposition of Project. The District covenants that the property constituting the projects refinanced with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless the District obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

(e) Designation as Qualified Tax-Exempt Bonds. The District hereby designates the Bonds as "qualified tax-exempt bonds" as defined in section 265(b)(3) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) that during the calendar year in which the Bonds are issued, the District (including any subordinate entities) has not designated nor will designate bonds, which when aggregated with the Bonds, will result in more than \$10,000,000 of "qualified tax-exempt bonds" being issued; (b) that the District reasonably anticipates that the amount of tax-exempt obligations issued, during the calendar year in which the Bonds are issued, by the District (or any subordinate entities) will not exceed \$10,000,000; and (c) that the District will take such action or refrain from such action as necessary, and as more particularly set forth in this Section, in order that the Bonds will not be considered "private activity bonds" within the meaning of section 141 of the Code.

ARTICLE ELEVEN

ADDITIONAL BONDS AND REFUNDING BONDS

SECTION 11.01. ADDITIONAL BONDS. The District expressly reserves the right to issue, in one or more installments, for the purpose of purchasing, constructing, acquiring,

owning, operating, maintaining, repairing, improving, or extending the System, or for any other lawful purpose:

- (a) the unissued unlimited tax bonds which remain authorized but unissued; and
- (b) such other unlimited tax bonds as may hereafter be authorized at subsequent elections.

SECTION 11.02. OTHER BONDS. The District further reserves the right to issue combination unlimited tax and revenue bonds, if authorized by election, and such other bonds or other obligations as may be lawfully issued by the District including any obligations issued for special projects or defined areas.

SECTION 11.03. REFUNDING BONDS. The District further reserves the right to issue refunding bonds in any manner permitted by law to refund the Bonds, the Outstanding Bonds, any Additional Bonds, or any other bonds issued by the District, at or prior to their respective dates of maturity or redemption.

ARTICLE TWELVE

DEFAULT PROVISIONS

SECTION 12.01. DEFAULT AND REMEDIES. (a) Events of Default. Each of the following occurrences or events for the purpose of this Bond Order is hereby declared to be an Event of Default:

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

(2) default in the performance or observance of any other covenant, agreement or obligation of the District, the failure to perform which materially, adversely affects the rights of the Registered Owners of the Bonds, including, but not limited to, their prospect or ability to be repaid in accordance with this Bond Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the District.

(b) Remedies for Default.

(1) Upon the happening of any Event of Default, then and in every case, any Registered Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the District, or any official, officer or employee of the District in their official capacity, for the purpose of protecting and enforcing the rights of the Registered Owners under this Bond Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any

covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Registered Owners hereunder or any combination of such remedies.

(2) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Registered Owners of Bonds then Outstanding.

(c) Remedies Not Exclusive.

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

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

(3) By accepting the delivery of a Bond authorized under this Order, such Registered Owner agrees that the certifications required to effectuate any covenants or representations contained in this Ordinance do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or the District.

(4) None of the members of the Board of Directors, nor any other official or officer, agent, or employee of the District, shall be charged personally by the Registered Owners with any liability, or be held personally liable to the Registered Owners under any term or provision of this Bond Order, or because of any Event of Default or alleged Event of Default under this Bond Order.

SECTION 12.02. BOND ORDER IS CONTRACT. In consideration of the purchase and acceptance of the Bonds authorized to be issued hereunder by the Registered Owners, the provisions of this Bond Order shall be deemed to be and shall constitute a contract between the District and the Registered Owners; and the covenants and agreements herein set forth to be performed on behalf of the District shall be for the equal benefit, protection, and security of each of the Registered Owners. The Bonds, regardless of the time or times of their issue or maturity, shall be of equal rank without preference, priority, or distinction of any Bond over any other, except as expressly provided herein.

ARTICLE THIRTEEN

DISCHARGE BY DEPOSIT

SECTION 13.01. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within

the meaning of this Order, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date or dates (whether such due date or dates be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar or a commercial bank or trust company for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the District with the Paying Agent/Registrar or a commercial bank or trust company for the payment of its services until all Defeased Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Bond Order, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Bond as aforesaid when proper notice of redemption of such Bonds shall have been given, in accordance with this Order. Any money so deposited with the Paying Agent/Registrar or a commercial bank or trust company as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of the Paying Agent/Registrar or a commercial bank or trust company pursuant to this Section which is not required for the payment of such Bond and Premium Compound Interest Bond, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

(c) Notwithstanding any provision of any other Section of this Bond Order which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Bonds and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust. Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Bond Order.

(d) Notwithstanding anything elsewhere in this Order, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar or a commercial bank or trust company pursuant to this Section for the payment of Bonds and such Bonds shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Bond affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Bond to be paid at its maturity, the District retains the right under Texas law to later call that Defeased Bond for redemption in accordance with the provisions of the order authorizing its issuance, the District may call such Defeased Bond for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Bond as though it was being defeased at the time of the exercise of the option to redeem the Defeased Bond and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Bond.

ARTICLE FOURTEEN

MISCELLANEOUS PROVISIONS

SECTION 14.01. DISTRICT'S SUCCESSORS AND ASSIGNS. Whenever in this Bond Order the District is named and referred to, it shall be deemed to include its successors and assigns, and all covenants and agreements in this Bond Order by or on behalf of the District, except as otherwise provided herein, shall bind and inure to the benefit of its successors and assigns whether or not so expressed.

SECTION 14.02. NO RECOURSE AGAINST DISTRICT OFFICERS OR DIRECTORS. No recourse shall be had for the payment of the principal of or interest on the Bonds or for any claim based thereon or on this Bond Order against any officer or director of the District or any person executing the Bonds.

SECTION 14.03. REGISTRAR. The Registrar shall act as agent for the payment of principal of and interest on the Bonds and shall maintain the Register for the Bonds, all in accordance with the terms of this Bond Order. If the Registrar or its successor becomes unable for any reason to act as Registrar hereunder, or if the Board of Directors of the District determines that a successor Registrar should be appointed, a successor Registrar shall be selected by the District. Any successor Registrar shall be either a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties as paying agent and registrar for the Bonds.

SECTION 14.04. REGISTRAR MAY OWN BONDS. The Registrar, in its individual or any other capacity, may become the owner or pledgee of the Bonds with the same rights it would have if it were not Registrar.

SECTION 14.05. BENEFITS OF ORDER PROVISIONS. Nothing in this Bond Order or in the Bonds, expressed or implied, shall give or be construed to give any person, firm, or corporation, other than the District, the Registrar, and the Registered Owners, any legal or equitable right or claim under or in respect of this Bond Order, or under any covenant, condition, or provision herein contained, all the covenants, conditions, and provisions contained in this Bond Order or in the Bonds being for the sole benefit of the District, the Registrar, and the Registered Owners.

SECTION 14.06. UNAVAILABILITY OF AUTHORIZED PUBLICATION. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Bond Order shall be given in such other manner and at such time or times as in the judgment of the District shall most effectively approximate such required publication, and the giving of such notice in such manner shall for all purposes of this Bond Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 14.07. SEVERABILITY CLAUSE. If any word, phrase, clause, sentence, paragraph, section, or other part of this Bond Order, or the application thereof to any person or circumstance, shall ever be held to be invalid or unconstitutional by any court of competent jurisdiction, the remainder of this Bond Order and the application of such word, phrase, clause, sentence, paragraph, section, or other part of this Bond Order to any other persons or circumstances shall not be affected thereby.

SECTION 14.08. ACCOUNTING. The District will keep proper records and accounts regarding the levy and collection of taxes, which records and accounts will be made available to any Registered Owner on reasonable request. Each year while any of the Bonds are outstanding, the District shall have an audit of its books and accounts by a certified public accountant or firm of certified public accountants, based on its Fiscal year, and copies of such audits will be made available to any Registered Owner upon request.

SECTION 14.09. FURTHER PROCEEDINGS. The President and Secretary of the Board of Directors and other appropriate officials of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms of this Bond Order.

ARTICLE FIFTEEN

APPROVAL OF DOCUMENTS

SECTION 15.01. APPROVAL, REGISTRATION, AND DELIVERY. The President of the Board of Directors of the District and representatives of McCall, Parkhurst & Horton L.L.P. are hereby authorized and directed to submit the Initial Bond and a transcript of the proceedings relating to the issuance of the Bonds to the Attorney General of the State of Texas for approval and, following said approval, to submit the Initial Bond to the Comptroller of Public Accounts of the State of Texas for registration. Upon registration of the Initial Bond, the Comptroller of Public Accounts (or a deputy designated in writing to act for the Comptroller) shall manually sign the Comptroller's registration certificate prescribed herein to be printed and endorsed on the Initial Bond, and the seal of the Comptroller shall be impressed or placed in facsimile on the Initial Bond. After the Initial Bond has been registered, signed, and sealed by the Comptroller, it shall be delivered to the Initial Purchaser, but only upon receipt of the full purchase price.

SECTION 15.02 APPROVAL OF OFFERING DOCUMENTS, ESCROW AGREEMENT AND PAYING AGENT/REGISTRAR AGREEMENT. The Pricing Officer is hereby authorized to approve the Preliminary Official Statement, the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto and to deem such documents final in accordance with Rule 15c2-12. The District further approves the distribution of such Official Statement in the reoffering of the Bonds by the Purchaser in final form, with such changes therein or additions thereto as the Pricing Officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof.

The Paying Agent/Registrar Agreement by and between the District and the Paying Agent/Registrar ("Paying Agent Agreement") in substantially the form and substance previously approved by the City in previous transactions. The Pricing Officer is hereby authorized and directed to complete, amend, modify and execute the Paying Agent Agreement as necessary.

The discharge and defeasance of Refunded Bonds shall be effectuated pursuant to the terms and provisions of an Escrow Agreement, in the form and containing the terms and provisions as shall be approved by a Pricing Officer, including any insertions, additions, deletions, and modifications as may be necessary (a) to carry out the program designed for the District by the purchasers, (b) to maximize the District's present value savings and/or to minimize the District's costs of refunding, (c) to comply with all applicable laws and regulations relating to the refunding of the Refunded Obligations and (d) to carry out the other intents and purposes of this Bond Order; and, the Pricing Officer is hereby authorized to execute and deliver such Escrow Agreement, on behalf of the District, in multiple counterparts.

To maximize the District's present value savings and to minimize the District's costs of refunding, the District hereby authorizes and directs that certain of the Refunded Bonds shall be called for redemption prior to maturity in the amounts, at the dates and at the redemption prices set forth in each Pricing Certificate, and the Pricing Officer is hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrar, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

The Pricing Officer and the Escrow Agent are each hereby authorized (a) to subscribe for, agree to purchase, and purchase Defeasance Securities that are permitted investments for a defeasance escrow established to defease Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to authorize such contributions to the escrow fund as are provided in the Escrow Agreement.

ARTICLE SIXTEEN

OPEN MEETING AND EFFECTIVE DATE

SECTION 16.01. OPEN MEETING. The Board of Directors officially finds, determines, and declares that this Bond Order was reviewed, carefully considered, and adopted at a meeting of the Board, and that a sufficient written notice of the date, hour, place, and subject of this meeting was posted at a place readily accessible and convenient to the public within the District and on a bulletin board located at a place convenient to the public in Williamson County for the time required by law preceding this meeting, as required by the Open Meetings Act, Chapter 551, Texas Government Code, as amended, and that this meeting has been open to the public as required by law at all times during which this Bond Order and the subject matter hereof has been discussed, considered, and acted upon. The Board of Directors further ratifies, approves and confirms such written notice and the contents and posting thereof.

SECTION 16.02. EFFECTIVE DATE OF BOND ORDER. This Bond Order shall take effect and be in full force and effect upon and after its passage.

ARTICLE SEVENTEEN

AMENDMENTS

~~**SECTION 17.01. AMENDMENTS.** (a) Amendment with Consent of Owners of 51% of Bonds. The owners of 51% in aggregate principal amount of then outstanding Bonds shall have the right from time to time to approve any amendment to this Bond Order which may be deemed necessary or desirable by the District; provided however, that, other than as permitted by subsection (f) of this Section 17.01, nothing herein contained shall permit or be construed to permit the amendment, without the consent of the owner of each of the outstanding Bonds affected thereby, of the terms and conditions of this Bond Order or the Bonds so as to:~~

- (1) change debt service requirements, interest payment dates or the maturity or maturities of the outstanding Bonds;
- (2) reduce the rate of interest borne by any of the outstanding Bonds;
- (3) reduce the amount of the principal of, redemption premium, if any, or interest on the outstanding Bonds or impose any conditions with respect to such payments;
- (4) modify the terms of payment of principal of, redemption premium, if any, or interest on the outstanding Bonds, or impose any conditions with respect to such payments;
- (5) affect the right of the Registered Owners of less than all of the Bonds then outstanding; or

(6) decrease the minimum percentage of the principal amount of Bonds necessary for consent to any such amendment.

(b) Notice of Amendment. If at any time the District shall desire to amend this Bond Order it may cause a written notice of the proposed amendment to be published at least once on a business day in a financial newspaper, journal, or publication of general circulation in the City of New York, New York, or in the State of Texas. If, because of temporary or permanent suspension of the publication or general circulation of all such newspapers, journals, or publications, it is impossible or impractical to publish such notice in the manner provided herein, then such publication in lieu thereof as shall be made by the Registrar shall constitute a sufficient publication of notice. In addition to such publication, the Registrar shall cause a written notice of the proposed amendment to be given by registered or certified mail to Registered Owners of the Bonds as shown on the Registration Books maintained by the Registrar; provided, however, that failure to receive such written notice of the proposed amendment, or any defect therein or in the mailing thereof, shall not affect the validity of any proceeding in connection with, or the adoption of, such amendment. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Registrar for inspection by all Registered Owners of Bonds.

(c) Consent to Amendment. Whenever at any time not less than 30 days, and within one year, from the date of the first publication of said notice or other services of written notice the District shall receive an instrument or instruments executed by the Registered Owners of at least 51% in aggregate principal amount of all Bonds then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and shall specifically consent to and approve such amendment, the District may adopt the amendatory resolution or order in substantially the same form.

(d) Effect of Amendment. Upon the adoption of any amendatory resolution or order pursuant to the provisions of this Section, this Bond Order shall be deemed to be amended in accordance with such amendatory resolution or order, and the respective rights, duties, and obligations under such amendatory resolution or order of all the Registered Owners shall thereafter be determined and exercised subject in all respects to such amendments.

(e) Consent of Registered Owners. Any consent given by a Registered Owners pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future owners of the Bonds during such period. Such consent may be revoked by the Registered Owner who gave such consent at any time after six months from the date of the first giving of such notice, or by a successor in title, by filing notice thereof with the Registrar and the District, but such revocation shall not be effective if the Registered Owners of 51% in aggregate principal amount of the then outstanding Bonds have, prior to the attempted revocation, consented to and approved the amendment.

(f) Amendments Without Consent. Notwithstanding the provisions of (a) through (f) of this Section, and without notice of the proposed amendment and without the consent of the

Registered Owners. The District may, at any time, amend this Bond Order to cure any ambiguity or to cure, correct, or supplement any defective or inconsistent provision contained therein, or to make any other change that does not in any respect materially and adversely affect the interest of the Registered Owners, provided that no such amendment shall be made contrary to the provision to Section 17.01 (a), and a duly certified or executed copy of each such amendment shall be filed with the Registrar.

ARTICLE EIGHTEEN

OTHER ACTIONS AND MATTERS

SECTION 18.01. OTHER ACTIONS. The President, Vice President or Treasurer and Secretary of the Board of Directors of the District, and the General Manager 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 corporate seal and on behalf of the District all instruments as may be necessary or desirable in order to carry out the terms and provisions of this Bond Order, the Bonds, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, any insurance commitment letter or insurance policy and the Official Statement. In addition, prior to the initial delivery of the Bonds, President, Vice President or Treasurer and Secretary of the Board of Directors of the District, the District's General Counsel and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Bond Order or to any of the instruments authorized and approved by this Bond Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Bond Order and as described in the Official Statement, (ii) obtain a rating from any of the national bond rating agencies or satisfy requirements of the Bond Insurer, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office.

SECTION 18.02. PAYMENT OF ATTORNEY GENERAL FEE. The District hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds or (ii) \$9,500, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The appropriate member of the District's staff is hereby instructed to take the necessary measures to make this payment. The District is also authorized to reimburse the appropriate District funds for such payment from proceeds of the Bonds.

ARTICLE NINETEEN

CONTINUING DISCLOSURE

Section 19.01. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The District shall provide annually to the MSRB, in an electronic format as prescribed by the MSRB, within six months after the end of each fiscal year, financial information and operating data with respect to the District as determined by the Pricing Officer at the time the Bonds are sold. The Pricing Certificate shall specify such financial information and operating data. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "B" hereto, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the District shall provide unaudited financial statements for the applicable fiscal year to the MSRB, and audited financial statements when such become available.

If the District changes its fiscal year, it will notify the MSRB of the change (and of the date of the new fiscal year end) prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this section.

The financial information and operating data to be provided pursuant to this section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet web site or filed with the SEC. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(a) Event Notices. The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner not in excess of ten business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults, if material within the meaning of the federal securities laws;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;

- F. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax-exempt status of the Bonds, or other events affecting the tax-exempt status of the Bonds
- G. Modifications to rights of holders of the Bonds, if material within the meaning of the federal securities laws;
- H. Bond calls, if material within the meaning of the federal securities laws and tender offers;
- I. Defeasances;
- J. Release, substitution, or sale of property securing repayment of the Bonds, if material within the meaning of the federal securities laws;
- K. Rating changes;
- L. Bankruptcy, insolvency, receivership or similar event of the District;
- M. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material within the meaning of the federal securities laws; and
- N. Appointment of a successor or additional trustee or the change of name of a trustee, if material within the meaning of the federal securities laws.

The District shall notify the MSRB, in an electronic format as prescribed by the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with subsection (a) of this Section by the time required by such subsection. All documents provided to the MSRB pursuant to this Section shall be accompanied by identifying information as prescribed by the MSRB.

(b) Limitations, Disclaimers, and Amendments. The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with Section 13.01 of this Bond Order that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or

equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

Should the Rule be amended to obligate the District to make filings with or provide notices to entities other than the MSRB, the District hereby agrees to undertake such obligation with respect to the Bonds in accordance with the Rule as amended.

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

The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the Bonds. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with paragraph (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court

of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

EXHIBIT "A"

DEFINITIONS.

When used in this Bond Order, except in Article Six, and in any resolution, order or amendatory or supplemental order hereto, the terms listed below shall have the meanings specified below, unless it is otherwise expressly provided or unless the context otherwise requires:

"Accreted Value" shall mean, with respect to any Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with the Pricing Certificate and the Accretion Table attached as an exhibit to the Pricing Certificate relating to the Bonds that shows the Accreted Value per \$5,000 maturity amount on the calculation date of maturity to its maturity.

"Accretion Table" means the exhibit attached to the Pricing Certificate that sets forth the rounded original principal amounts at the Issuance Date for the Premium Compound Interest Bonds and the Accreted Values and maturity amounts thereof as of each Compounding Date until final maturity.

"Additional Bonds" means the additional bonds payable from ad valorem taxes which the Board expressly reserves the right to issue in Article Eleven of this Bond Order.

"Authorized Denominations" means the denomination of \$5,000 or any integral multiple thereof with respect to the Current Interest Bonds and in the denomination of \$5,000 in maturity amount or any integral multiple thereof with respect to the Premium Compound Interest Bonds.

"Authorized Investments" means such investments authorized pursuant to the investment policy of the District and Chapter 2256 of the Government Code, as amended.

"Board of Directors" or "Board" means the governing body of the District.

"Bond Insurer" means the insurer of the bonds, if any, as designated in the Pricing Certificate.

"Bonds" shall mean and include collectively the Premium Compound Interest Bonds and Current Interest Bonds initially issued and delivered pursuant to this Order and the Pricing Certificate and all substitute Bonds and Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Bond Order" or "Order" means this Order of the Board of Directors authorizing the issuance of the Bonds.

"Business Day" means any day which is not a Saturday, Sunday or a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed.

"Compounded Amount" shall mean, with respect to a Premium Compound Interest Bond, as of any particular date of calculation, the original principal amount thereof plus all interest accrued and compounded to the particular date of calculation.

"Compounding Date" means the amounts as of any June 1 and December 1 as set forth in the Accretion Table.

"Current Interest Bonds" shall mean the Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in the Pricing Certificate.

"Defeasance Securities" means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Board of Directors adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent and (iv) any other then authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds.

"District" means Brushy Creek Municipal Utility District and any other public agency succeeding to the powers, rights, privileges, and functions of the District and, when appropriate, the Board of Directors of the District.

"Escrow Agreement" means the agreement between the District and Wells Fargo Bank N.A., as escrow agent.

"Exchange Bonds" means Bonds registered, authenticated, and delivered by the Registrar, as provided in Section 4.01 of this Bond Order.

"Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America (including Interest Strips of the Resolution Funding Corporation).

"Fiscal Year" means the twelve-month accounting period for the District, which presently is the twelve-month period beginning on October 1 of each year and ending on September 30 of the following year, but which may be changed from time to time by the Board of Directors.

"Initial Bond" means the Bond authorized, issued, and initially delivered as provided in Section 3.02 of this Bond Order.

"Interest Payment Date" means a date on which interest on the Current Interest Bonds is due and payable as set forth in the Pricing Certificate.

"Issuance Date" means the date of delivery of the Bonds.

"MSRB" shall mean the Municipal Securities Rulemaking Board.

"Outstanding" when used with reference to Bonds, means, as of a particular date, all Bonds theretofore and thereupon delivered except; (a) any Bond canceled by or on behalf of the District at or before said date, (b) any Bond defeased or no longer considered Outstanding pursuant to the provisions of this Order or otherwise defeased as permitted by applicable law and (c) any such Bond in lieu of or in substitution for which another Bond shall have been delivered pursuant to this Order.

"Outstanding Bonds" means the District's outstanding Series 2004 Bonds dated August 1, 2004, issued in the original principal amount of \$3,285,000; the Series 2005 dated October 1, 2005, issued in the original principal amount of \$9,500,000, the Series 2007 dated March 1, 2007, issued in the original principal amount of \$7,840,000 the Series 2009 dated September 1, 2009, issued in the original principal amount of \$7,975,000, the Series 2010 dated August 1, 2010, issued in the original principal amount of \$17,190,000, and the Series 2011 dated September 15, 2011, issued in the original principal amount of \$2,085,000

"Premium Compound Interest Bonds" shall mean the Bonds on which no interest is paid prior to maturity, maturing in various amounts and in the aggregate principal amount as set forth in the Pricing Certificate.

"Pricing Certificate" means the Pricing Certificate of the District's Pricing Officer to be executed and delivered pursuant to Section 3.02 hereof in connection with the issuance of the Bonds.

"Pricing Officer" means the General Manager of the District or in his absence the President of the Board, acting as the designated pricing officer of the District to execute the Pricing Certificate.

"Record Date" means the 15th day of the month next preceding each Interest Payment Date, whether or not such dates are Business Days.

"Redemption Date" means a date fixed for redemption of any Bond pursuant to the terms of this Bond Order and the Pricing Certificate.

"Refundable Bonds" means any of the District's Outstanding Bonds.

"Refunded Bonds" means those Refundable Bonds to be refunded as designated by the Pricing Officer in the Pricing Certificate.

"Register" means the registry system maintained on behalf of the District by the Registrar in which are listed the names and addresses of the Registered Owners and the principal amount of Bonds registered in the name of each Registered Owner.

"Registered Owner" or "Owner" means any person or entity in whose name a Bond is registered.

"Registrar" or "Paying Agent/Registrar" means Wells Fargo Bank, N.A., or such other bank, trust company, financial institution, or other entity as may hereafter be designated by the District to act as paying agent and registrar for the Bonds in accordance with the terms of this Bond Order.

"Replacement Bonds" means the Bonds authorized by the District to be issued in substitution for lost, apparently destroyed, or wrongfully taken Bonds as provided in Section 4.02 of this Bond Order.

"Rule" shall mean SEC Rule 15c2-12, as amended from time to time.

"SEC" shall mean the United States Securities and Exchange Commission.

"Special Project Bonds" shall mean those bonds authorized pursuant to Section 11.04 of this Bond Order.

"System" shall mean the water system, sanitary sewer system, and drainage and storm sewer system of the District, including, but not limited to, all works,

improvements, facilities, plants, equipment, appliances, interests in property, and contract rights needed therefor and administrative facilities needed in connection therewith, together with any additions or extensions thereto or improvements and replacements thereof.

"Underwriter" means the senior managing underwriter as selected by the Pricing Officer, and such additional investment banking firms, if any, as the Pricing Officer deems appropriate.

EXHIBIT "B"

CONTINUING DISCLOSURE UNDERTAKING

Accounting Principles

The accounting and reporting policies of the District relating to the funds and account groups will conform to generally accepted accounting principles (GAAP) as applied to governmental entities.

September 25, 2020

VIA EMAIL

Carol Polumbo, Esq.
McCall, Parkhurst & Horton L.L.P.
600 Congress Avenue, Suite 1800
Austin, Texas 78701

Re: \$5,600,000 in aggregate principal amount of Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas) Unlimited Tax Refunding Bonds, Series 2020A (Policy No. 220523-N)

Dear Ms. Polumbo:

Enclosed please find a copy of the municipal bond insurance policy of Assured Guaranty Municipal Corp. ("AGM"), the executed disclosure, no default and tax certificate and the executed opinion of Counsel in connection with the above-referenced issue scheduled to close on September 30, 2020. The municipal bond insurance policy, opinion and certificate shall be treated as originals. Upon successful completion of the closing, the insurance policy may be released and sent to the Paying Agent.

In addition to your receiving my verbal instruction, I must receive the following before the insurance policy and opinion may be released:

1. A copy of the executed final approving opinion delivered by Bond Counsel, and a reliance letter addressed to AGM, as described in our Commitment Letter in respect of the subject issue.
2. The wire transfer in federal funds of an amount equal to the insurance premium, as described in our Commitment Letter, in accordance with our payment instructions. Verbal confirmation of the wire number shall be sufficient evidence for the release of the insurance policy.
3. **Your assurance that you will promptly cause to be delivered to AGM one original and two copies of the final closing transcript of proceedings. Such closing transcript may be in the form of either hard copies or three CD-ROMs thereof required by the Commitment Letter. Closing documents should be addressed to the attention of the Records Department.**

I ask you to send item 1. to my attention via email at AUdit-Adler@agltd.com, and call me at (212) 339-3548 with respect to item 2. Instructions for wiring of funds are attached for your convenience. I need to receive the documents referred to in item 3. by October 16, 2020.

I will email the rating letter from S&P Global to you at the closing.

Please let me know if you have any further questions.

Very truly yours,



Audrey Udit-Adler
Closing Coordinator

Enclosures

In the event the Insurer is unable to fulfill its contractual obligation under this policy or contract or application or certificate or evidence of coverage, the policyholder or certificateholder is not protected by an insurance guaranty fund or other solvency protection arrangement.



MUNICIPAL BOND INSURANCE POLICY

ISSUER: Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas)

Policy No.: 220523-N

Effective Date: September 30, 2020

BONDS: \$5,600,000 in aggregate principal amount of Unlimited Tax Refunding Bonds, Series 2020A

Premium: \$11,446.94

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

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

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

In the event the Insurer is unable to fulfill its contractual obligation under this policy or contract or application or certificate or evidence of coverage, the policyholder or certificateholder is not protected by an insurance guaranty fund or other solvency protection arrangement.

Page 2 of 2
Policy No. 220523-N

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

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

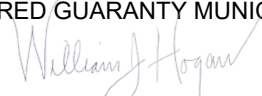
To the fullest extent permitted by applicable law, AGM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment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

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

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

ASSURED GUARANTY MUNICIPAL CORP.

By



Authorized Officer

A subsidiary of Assured Guaranty Municipal Holdings Inc.
1633 Broadway, New York, N.Y. 10019

(212) 974-0100

Form 500NY (5/90)


**DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF
ASSURED GUARANTY MUNICIPAL CORP.**

The undersigned hereby certifies on behalf of Assured Guaranty Municipal Corp. ("AGM"), in connection with the issuance by AGM of its Policy No. 220523-N (the "Policy") in respect of the \$5,600,000 in aggregate principal amount of Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas) Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds") that:

- (i) the information set forth under the caption "**MUNICIPAL BOND INSURANCE – Assured Guaranty Municipal Corp.**" in the official statement dated September 2, 2020, relating to the Bonds (the "Official Statement") is true and correct,
- (ii) AGM is not currently in default nor has AGM ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation,
- (iii) the Policy is an unconditional and recourse obligation of AGM (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds in the event of Nonpayment by the Issuer (as set forth in the Policy),
- (iv) the insurance premium of \$11,446.94 (the "Premium") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to AGM as a condition to the issuance of the Policy,
- (v) no portion of such Premium represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by AGM to maintain its ratings, which, together with all other overhead expenses of AGM, are taken into account in the formulation of its rate structure, or for the provision of additional services by us, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor),
- (vi) AGM is not providing any services in connection with the Bonds other than providing the Policy, and except for the Premium, AGM will not use any portion of the Bond proceeds; provided, however, that AGM or its affiliates may independently provide a guaranteed investment contract for the investment of all or a portion of the proceeds of the Bonds,
- (vii) except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by AGM,
- (viii) AGM does not expect that a claim will be made on the Policy,
- (ix) the Issuer is not entitled to a refund of the premium for the Policy in the event a Bond is retired before the final maturity date, and
- (x) for Bonds which are secured by a debt service reserve fund, AGM would not have issued the Policy unless the authorizing or security agreement for the Bonds provided for a debt service reserve fund funded and maintained in an amount at least equal to, as of any particular date of computation, the reserve requirement as set forth in such agreement.

AGM makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

ASSURED GUARANTY MUNICIPAL CORP.

By: 
_____ Authorized Officer

Dated: September 30, 2020

September 30, 2020

Municipal Bond Insurance Policy No. 220523-N With Respect to
\$5,600,000 In Aggregate Principal Amount of
Brushy Creek Municipal Utility District
(A political subdivision of the State of Texas located within Williamson County, Texas)
Unlimited Tax Refunding Bonds, Series 2020A

Ladies and Gentlemen:

I am Counsel of Assured Guaranty Municipal Corp., a New York stock insurance company ("AGM"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by AGM of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.


Based upon the foregoing, I am of the opinion that:

1. AGM is a stock insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.
2. The Policy has been duly authorized, executed and delivered by AGM.
3. The Policy constitutes the valid and binding obligation of AGM, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of AGM and to the application of general principles of equity.

In addition, please be advised that I have reviewed the description of the Policy under the caption "**MUNICIPAL BOND INSURANCE – Bond Insurance Policy**" in the official statement relating to the above-referenced Bonds dated September 2, 2020 (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, or omitted from, the caption "**MUNICIPAL BOND INSURANCE – Assured Guaranty Municipal Corp.**".

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

Very truly yours,



Counsel

Brushy Creek Municipal Utility District, Texas,
16318 Great Oaks Drive,
Round Rock, Texas 78681.

BOK Financial Securities, Inc.,
as Representative of the Underwriters,
1200 North Mayfair Road, Suite 303,
Milwaukee, Wisconsin 53226.

NOTICE OF CLAIM AND CERTIFICATE

Assured Guaranty Municipal Corp.
1633 Broadway
New York, NY 10019

The undersigned, a duly authorized officer of [FULL NAME OF TRUSTEE or PAYING AGENT] (the "Trustee/Paying Agent"), hereby certifies to Assured Guaranty Municipal Corp. ("AGM"), with reference to Municipal Bond Insurance Policy No. 220523-N dated September 30, 2020 (the "Policy") issued by AGM in respect of the Brushy Creek Municipal Utility District (A political subdivision of the State of Texas located within Williamson County, Texas) Unlimited Tax Refunding Bonds, Series 2020A (the "Bonds"), that:

(i) The Trustee/Paying Agent is the Trustee/Paying Agent under the document authorizing the issuance of the Bonds (the "Indenture") for the Holders.

(ii) The sum of all amounts on deposit (or scheduled to be on deposit) in the [RELEVANT ACCOUNTS] and available for distribution to the Holders pursuant to the Indenture will be \$_____ (the "Shortfall") less than the aggregate amount of principal and interest Due for Payment on _("Scheduled Payments").

(iii) The Trustee/Paying Agent is making a claim under the Policy for the Shortfall to be applied to the payment of Scheduled Payments.

(iv) The Trustee/Paying Agent agrees that, following receipt of funds from AGM, it shall (a) hold such amounts in trust and apply the same directly to the payment of Scheduled Payments on the Bonds when due; (b) not apply such funds for any other purpose; (c) not commingle such funds with other funds held by the Trustee/Paying Agent and (d) maintain an accurate record of such payments with respect to each Bond and the corresponding claim on the Policy and proceeds thereof, and, if the Bond is required to be [SURRENDERED/PRESENTED] for such payment, shall stamp on each such Bond the legend "\$"[insert applicable amount] paid by AGM and the balance hereof has been canceled and reissued" and then shall deliver such Bond to AGM.

(v) The Trustee/Paying Agent, on behalf of the Holders, hereby assigns to AGM the rights of the Holders with respect to the Bonds to the extent of any payments under the Policy, including, without limitation, any amounts due to the Holders in respect of securities law violations arising from the offer and sale of the Bonds. The foregoing assignment is in addition to, and not in limitation of, rights of subrogation otherwise available to AGM in respect of such payments. Payments to AGM in respect of the foregoing assignment shall in all cases be subject to and subordinate to the rights of the Holders to receive all Scheduled Payments in respect of the Bonds. The Trustee/Paying Agent shall take such action and deliver such instruments as may be reasonably requested or required by AGM to effectuate the purpose or provisions of this clause (v).

(vi) The Trustee/Paying Agent, on its behalf and on behalf of the Holders, hereby appoints AGM as agent and attorney-in-fact for the Trustee/Paying Agent and each such Holder in any legal proceeding with respect to the Bonds. The Trustee/Paying Agent hereby agrees that, so long as AGM shall not be in default in its payment obligations under the Policy, AGM may at any time during the continuation of any proceeding by or against the Issuer under the United States Bankruptcy Code or any other applicable bankruptcy, insolvency, receivership, rehabilitation or similar law (an "Insolvency Proceeding") direct all matters relating to such Insolvency Proceeding, including without limitation, (A) all matters relating to any claim in connection with an Insolvency Proceeding seeking the avoidance as a preferential transfer of any payment made with respect to the Bonds (a "Preference Claim"), (B) the direction of any appeal of any order relating to any Preference Claim at the expense of AGM but subject to reimbursement as provided in the Indenture and (C) the posting of any surety, supersedes or performance bond pending any such appeal. In addition, the Trustee/Paying Agent hereby agrees that AGM shall be subrogated to, and the Trustee/Paying Agent on its behalf and on behalf of each Holder, hereby delegates and assigns, to the fullest extent permitted by law, the rights of the Trustee/Paying Agent and each Holder in the conduct of any Insolvency Proceeding, including, without limitation, all rights of any party to an adversary proceeding or action with respect to any court order issued in connection with any such Insolvency Proceeding.

(vii) Payment should be made by wire transfer directed to [SPECIFY INSURANCE ACCOUNT].

Unless the context otherwise requires, capitalized terms used in this Notice of Claim and Certificate and not defined herein shall have the meanings provided in the Policy.

IN WITNESS WHEREOF, the Trustee/Paying Agent has executed and delivered this Notice of Claim and Certificate as of the _____ day of _____, _____.

By _____

Title _____

For AGM or
Fiscal Agent Use Only
Wire transfer sent on _____ By _____
Confirmation Number _____

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

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

Confirmation of Amount to be Paid:	Upon determination of the final debt service schedule, fax such schedule to AGM Attention: Michael Curcio, Associate Phone No.: 212-893-2769 Fax No.:
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Confirm with AGM's credit analyst that you are in agreement with respect to par and premium on the transaction prior to the closing date.

Payment Date: Date of Delivery of the insured bonds.

Method of Payment: Wire transfer of Federal Funds.

Wire Transfer Instructions:

Bank:	The Bank of New York
ABA#:	021 000 018
Acct. Name:	Assured Guaranty Municipal Corp.
Account No.:	8900297263
Policy No.:	220523-N

CONFIRMATION OF PREMIUM WIRE NUMBER AT CLOSING

AGM will accept as confirmation of the premium payment a wire transfer number and the name of the sending bank, to be communicated on the closing date to Audrey Udit-Adler, Closing Coordinator, (212) 339-3548.

NOTICE OF DEFEASANCE

**Brushy Creek Municipal Utility District, Texas
Unlimited Tax Refunding Bonds, Series 2013 (the “Obligations”)
DATED February 27, 2013**

NOTICE IS HEREBY GIVEN that the **Brushy Creek Municipal Utility District, Texas** (the “Issuer”), acting pursuant to the terms of the order authorizing the issuance of the Obligations and Chapter 1207, as amended, Texas Government Code (the “District”), including the issuance of revenue refunding bonds, has defeased a portion of the Obligations maturing on **June 1, 2024, June 1, 2025, June 1, 2027, and June 1, 2028** (the “Defeased Obligations”) in the principal amount of **\$5,980,000**. The Defeased Obligations have been selected by lot for defeasance and will be redeemed later, but no action is required now and a separate redemption notice will be sent later. The Defeased Obligations are more particularly described below:

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Original CUSIP No.</u>	<u>Original Principal Amount (\$)</u>	<u>Refunded CUSIP No.</u>	<u>Refunded Principal Amount (\$)</u>	<u>Non-Refunded CUSIP No.</u>	<u>Non-Refunded Principal Amount (\$)</u>
6/1/24	3.000	117464PP6	730,000	117464PP6	730,000		
6/1/25	3.000	117464PQ4	1,635,000	117464PQ4	1,635,000		
6/1/27	3.500	117464PR2	1,775,000	117464PR2	1,775,000		
6/1/28	3.500	117464PS0	1,840,000	117464PS0	1,840,000		

In order to accomplish such defeasance, the Issuer has deposited with **Wells Fargo Bank, NA** (the “Escrow Agent”), pursuant to an Escrow and Trust Agreement (the “Escrow Agreement”) between the Issuer and the Escrow Agent, cash and obligations of or guaranteed by the United States of America in an amount sufficient in the opinion of **Robert Thomas, C.P.A** (the “Verification Agent”) to provide for the payment of the principal of and interest on the Defeased Bonds to their date of maturity or date of redemption as described below.

The maturing principal of, and interest on, such direct obligations have been calculated by the Verification Agent to be adequate, together with a cash deposit, if any, to pay the principal of, and interest on the Defeased Obligations, when due, at the redemption price of 100% of the principal amount of the Defeased Obligations being redeemed, plus accrued interest to the Redemption Date.

The Defeased Obligations maturing in the years listed above will be called for redemption on **December 1, 2020** and interest will cease to accrue as of this date. No action is required by the owners of the Defeased Obligations at this time. A redemption notice for the Defeased Obligations will be sent as provided in the Resolution.

Dated: October 6, 2020

For any questions related to the referenced obligations, please contact the Wells Fargo Bond Holder Relations at 800-344-5128.