BURNET COUNTY, TEXAS
PROPOSED
$5,500,000
TAX NOTES, SERIES 2018

With 1% Growth in Taxable Valuations
7 Years

FISCAL YEAR 30-Sep	CURRENTLY* OUTSTANDING DEBT SERVICE REQUIREMENTS	PLUS: PRINCIPAL DUE 3/1	*INTEREST RATE*	INTEREST DUE 3/1	INTEREST DUE 9/1	TOTAL	**GRAND TOTAL OF ALL DEBT SERVICE**	LESS OTHER FUNDS	NET DEBT SERVICE REQUIREMENTS	ESTIMATED TAX RATE REQUIRED	PROJECTED TAXABLE VALUATION	% INCREASE IN TAXABLE VALUATION
2018	1,997,816.50					-	**1,997,816.50**		1,997,816.50	$0.0402	5,693,378,949	
2019	2,019,138.50	475,000	***3.00%***	82,500.00	75,375.00	632,875.00	**2,652,013.50**		2,652,013.50	$0.0435	6,416,658,733	12.70%
2020	2,040,422.00	490,000	***3.00%***	75,375.00	68,025.00	633,400.00	**2,673,822.00**		2,673,822.00	$0.0434	6,480,825,320	1.00%
2021	1,963,253.00	575,000	***3.00%***	68,025.00	59,400.00	702,425.00	**2,665,678.00**		2,665,678.00	$0.0429	6,545,633,574	1.00%
2022	1,962,544.50	570,000	***3.00%***	59,400.00	50,850.00	680,250.00	**2,642,794.50**		2,642,794.50	$0.0421	6,611,089,909	1.00%
2023	1,960,198.00	590,000	***3.00%***	50,850.00	42,000.00	682,850.00	**2,643,048.00**					
2024	1,077,320.00	1,400,000	***3.00%***	42,000.00	21,000.00	1,463,000.00	**2,540,320.00**					
2025	1,077,470.00	1,400,000	***3.00%***	21,000.00	-	1,421,000.00	**2,498,470.00**					
2026	1,074,770.00			-	-	-	**1,074,770.00**					
2027	1,071,070.00						**1,071,070.00**					
2028	1,072,220.00						**1,072,220.00**					
2029	1,067,270.00						**1,067,270.00**					
2030	1,060,370.00						**1,060,370.00**					
2031	1,062,270.00						**1,062,270.00**					
2032	1,067,670.00						**1,067,670.00**					
2033	1,065,995.00						**1,065,995.00**					
2034	1,066,860.00						**1,066,860.00**					
2035	1,060,556.25						**1,060,556.25**					
2036	1,067,206.25						**1,067,206.25**					
	25,834,420.00	5,500,000		399,150.00	316,650.00	6,215,800.00	32,050,220.00					

** estimated tax rates projected using a 95% collection factor.*

The new issue is assumed to be sold in September 2018

Debt Issuance

Prepared by
Duane L. Westerman
SAMCO Capital Markets, Inc.

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1020 N.E. LOOP 410, SUITE 640
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TELEPHONE 210-832-9760
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Second Draft: 8-13-18

August __, 2018

MEMORANDUM

$5,500,000*
Burnet County, Texas
Tax Notes, Series 2018

Attached is an Invitation to Bid and Bid Form for the purchase of Burnet County, Texas Tax Notes, Series 2018 (the "Notes"). Also attached is a copy of the Purchase and Investment Letter and a copy of the *Texas Municipal Report.* SAMCO Capital Markets, Inc. serves as financial advisor to and is also qualified as an "independent registered municipal advisor" for the benefit of Burnet County, Texas (the "County") and will not submit a bid for the Notes.

If you are interested in submitting a bid to purchase the Notes, please submit your bid to:

Ms. Karen Hardin
County Auditor
Burnet County, Texas
220 S. Pierce Street
Burnet, Texas 78611-3189
Telephone: 512-756-5466
Fax: 512-715-5264
Email: auditor@burnetcountytexas.org

Copy to: Mr. Duane L. Westerman
Financial Advisor to the County
SAMCO Capital Markets, Inc.
1020 N.E. Loop 410, Suite 640
San Antonio, Texas 78209
Telephone: 210-832-9760
Fax: 210-832-9794
Email: dwesterman@samcocapital.com

Bids can be submitted in person, by fax, or by email. Each bidder is responsible for confirming that the bid was received.

Bids are due by 11:00 A.M. Central Time on Monday, September 10, 2018, and it is expected that the award to the winning bidder (the "Purchaser") and sale of the Notes to the Purchaser will be made on Tuesday, September 11, 2018.

If you would like additional information about the Notes or the County, please contact either the County Auditor or the County's Financial Advisor as shown above.

* *Preliminary, subject to change.*

Second Draft: 8-13-18

INVITATION TO BID
AND BID FORM

$5,500,000*
Burnet County, Texas
Tax Notes, Series 2018

Issuer:	Burnet County, Texas (the *"County"*).
Dated Date:	September 1, 2018.
Due Date for Bids:	Bids are due by 11:00 A.M. Central Time, on Monday, September 10, 2018, and it is expected that the award to the winning bidder (the *"Purchaser"*) and sale of the Notes to the Purchaser will be made on Tuesday, September 11, 2018.
The Notes:	The Notes are being issued in the principal amount of $5,500,000* pursuant to the Constitution and general laws of the State of Texas (the *"State"*), particularly Chapter 1431, as amended *("Chapter 1431"*), Texas Government Code, and an order authorizing the issuance of the Notes (the *"Order"*) to be adopted by the Commissioners Court (the *"Court"*) of the County on September 11, 2018. The Notes are stated to mature on March 1 in each of the years 2019 through 2025, inclusive. Interest will be paid semi-annually on March 1 and September 1 of each year commencing March 1, 2019.
Delivery Date:	Delivery of the Notes to the Purchaser is expected to occur on or about October 11, 2018.
No Redemption:	The Notes will not be subject to prior redemption, unless so authorized by the Purchaser and agreed to by the County. The County will consider alternative call options presented by any bidders.
Tax-Exempt:	In the opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, as bond counsel ("Bond Counsel"), the interest on the Notes will be excludable from the gross income of the owners thereof pursuant section 103 of to the Internal Revenue Code of 1986, as amended, (the *"Code"*) subject to certain legal matters including the alternative minimum tax on corporations.
Qualified Tax-Exempt Obligations:	The Notes will be designated as "Qualified Tax-Exempt Obligations" for financial institutions pursuant to section 265 of the Code.
Use of Proceeds:	The Notes will be used for (i) constructing County road and bridge improvement projects ~~(including utilities relocation)~~ in the County and (ii) paying costs of issuance.
Security:	The Notes are payable from an ad valorem tax levied annually against all taxable property located within the County, within the limitations prescribed by law.
Rating:	The County does not expect to have the Notes rated.

* *Preliminary, subject to change.*

Purchase and Investment Letter: A form of the Purchase and Investment Letter that the Purchaser will be required to execute is attached hereto as Exhibit A.

Other Fees: The County shall be responsible for the reimbursement to the Purchaser for any reasonable out-of-pocket legal fees and expenses in an amount not to exceed $3,500.00 based upon the scope of financing as presented. Upon delivery of the Notes and payment of the purchase price by the Purchaser, any agreed upon legal fees and expenses incurred by the Purchaser shall be reimbursed by the County.

Please list any expenses you are expecting the County to pay:

_____
_____
_____

For the legally issued Notes as described on page 1, we submit the following bid:

Stated Maturity	Principal Amount($)* Due at Maturity	Coupon Interest Rate Bid (%)	Initial Yield
3-1-2019	$475,000	_____	_____
3-1-2020	490,000	_____	_____
3-1-2021	575,000	_____	_____
3-1-2022	570,000	_____	_____
3-1-2023	590,000	_____	_____
3-1-2024	1,400,000	_____	_____
3-1-2025	1,400,000	_____	_____

* *Preliminary, subject to change.*

Through submittal of this executed Bid Form and execution of the Purchase and Investment Letter, the undersigned verifies that it does not and will not "boycott Israel" through the term of this agreement and is not on a list maintained by the Texas Comptroller of Public Accounts with respect to foreign terrorist organizations, as more fully described in the Purchase and Investment Letter.

It is anticipated the Notes will be delivered to the Purchaser on October 11, 2018 (the "Delivery Date"). Interest will accrue from the Delivery Date.

The winning bid will be determined by the bid which produces the lowest effective interest cost to the County.

Conditions Precedent to Closing:

- Receipt of opinion from Bond Counsel stating that the Notes constitute a legal, valid, and binding obligation of the County.
- Receipt of the approving opinion of the Texas Attorney General with respect to the Notes.
- Receipt of a duly authorized Order from the Commissioners Court approving the issuance of the Notes.

- Successful negotiation of documentation acceptable to the Purchaser and the County related to the payment of the purchase price for and to the valid issuance, sale and delivery of and security for the Notes, including the execution and delivery of a Purchase and Investment Letter, in substantially the form accompanying this Invitation to Bid and Bid Form.

- Payment to the County by the Purchaser of the purchase price for the Notes.

As a condition to the award of the Notes, any privately held Winning Bidder will be obligated to file the appropriate HB 1295 forms with the Texas Ethics Commission as further described below. In addition, the Winning Bidder must execute an Issue Price Certificate as prepared by the County's Bond Counsel.

Effective January 1, 2018, pursuant to Texas Government Code Section 2252.908 ("the Interested Party Disclosure Act"), the County may not formally award the Notes to a bidder which is a privately held entity (a "Privately Held Bidder") unless such party submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the County as prescribed by the Texas Ethics Commission ("TEC"). In the event that a Privately Held Bidder's bid for the Notes is the best bid received, the County, acting through its municipal advisor, will promptly notify the winning Privately Held Bidder. That notification will serve as the County's conditional verbal acceptance of the bid and will obligate the winning Privately Held Bidder to file a completed Disclosure Form, as described below, in order to allow the Court to complete the award.

Reference should be made to the Disclosure Form, the rules of the TEC with respect to the Disclosure Form (the "Disclosure Rules") and the Interested Party Disclosure Act. Instructional information regarding such matters are set forth at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm. For purposes of completing the Disclosure Form, the prospective winning Privately Held Bidder will need the following information: (a) item 2 – name of governmental entity: "Burnet County, Texas" and (b) item 3 – the identification number assigned to this contract by the County: "Burnet County TN 2018-Bid Form", and a description of the services to be provided under the contract: "Purchase of Notes pursuant to competitive bid". The Interested Party Disclosure Act and the Disclosure Rules require a non-publicly traded business entity contracting with the County to complete the form at the TEC Internet "portal" that may be accessed at the url set forth above, and then print, sign and deliver the Disclosure Form in electronic form to the County. Following the award of the Notes, the County will notify the TEC of the receipt of the completed Disclosure Form and certification of filing. The Disclosure Form must be sent by email, to the County's municipal advisor at dwesterman@samcocapital.com and the County's Bond Counsel at clayton.binford@nortonrosefulbright.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.

In accordance with the Interested Party Disclosure Act, the information reported by a winning Privately Held Bidder **MUST BE DECLARED BY AN AUTHORIZED AGENT OF THE WINNING PRIVATELY HELD BIDDER**. No exceptions may be made to that requirement. The Interested Party Disclosure Act provides that such acknowledgment is made "under oath and under penalty of perjury." Consequently, a Privately Held Bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. Time will be of the essence in submitting the form to the County, and no final award will be made by the County regarding the sale of the Notes until a completed Disclosure Form is received. If applicable, the County reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein. Neither the County nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party have an obligation nor undertake responsibility for advising any bidder with respect to (a) the bidder's obligation to submit the Disclosure Form and (b) the proper completion of the

Disclosure Form. Consequently, an entity intending to bid on the Notes should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the County that its bid is the conditional winning bid.

IN NO EVENT SHALL THE COUNTY AGREE TO INDEMNIFY THE PURCHASER IN ANY MANNER RELATING TO THE NOTES FOR THE PURCHASER'S ROLE AS THE PURCHASER OR TO WAIVE ITS SOVEREIGN IMMUNITY OR ITS RIGHTS TO TRIAL BY JURY, NOR SHALL THE COUNTY AGREE TO BINDING ARBITRATION. LASTLY, THE COUNTY SHALL NOT AGREE TO PAY ANY COURT COSTS, OR ATTORNEYS' FEES RELATING TO THE NOTES (EXCEPT AS SET FORTH HEREIN) AND THE COUNTY SHALL NOT CONTRACTUALLY AGREE TO ANY PROVISIONS SEEKING TO LIMIT THE PURCHASER'S LIABILITY OR THE AMOUNT OR TYPES OF DAMAGES THAT THE COUNTY MAY RECOVER FROM THE PURCHASER.

THE TERMS AND CONDITIONS ABOVE ARE INTENDED TO BE A SUBSTANTIVE OUTLINE OF THE TRANSACTION RATHER THAN A FULL AND COMPLETE DESCRIPTION OF ALL TERMS OF THE LOAN DOCUMENTS, WHICH SHALL CONTAIN SUCH REPRESENTATIONS, WARRANTIES, COVENANTS, EVENTS OF DEFAULT, AND OTHER PROVISIONS AS MUTUALLY AGREED UPON BY THE PURCHASER AND THE COUNTY.

Respectfully submitted,

_____

_____

ACCEPTED this 11th day of September 2018 by the Commissioners Court of Burnet County, Texas.

_____
Signature

_____
Burnet County, Texas

Burnet County, Texas
Proposed Timeline
Tax Notes, Series 2018

As of August 7, 2018

DATE	ACTION
8/7/2018	***Commisioners Court meeting to authorize County Auditor and Financial Advisor to proceed with the issuance of Tax Notes***
8/8/2018	Financial advisor, Bond Counsel, and County staff begin preparation of documents and information to issue Tax Notes
8/9/2018	Financial Advisor to distribute the first draft of the Invitation to Bid package to Bond Counsel and the County for review
8/13/2018	Receive comments on first draft of the Invitation to Bid package
8/14/2018	Distribute second draft of the Invitation to Bid package for review
8/16/2018	Receive comments second draft of Invitation to Bid package
8/17/2018	Financial advisor to distribute information to prospective bidders for the Tax Notes
9/10/2018	Receive bids for the sale of the Tax Notes
9/11/2018	***Commisioners Court reviews bids and authorizes the issuance of the Tax Notes***
9/12/2018	Bond Counsel to deliver transcript to Texas Attorney General for approval
10/4/2018	Receive preliminary approval from Texas Attorney General
10/11/2018	Closing and settlement - County to receive proceeds of Tax Notes

Prepared by:
Allen R. Westerman / Duane L. Westerman
SAMCO Capital Markets, Inc.