

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT (the "Agreement"), is entered into as of May 21, 2019, by and between the COUNTY OF HIDALGO, a political subdivision of the State of Texas (the "Issuer"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A. Dallas, Texas (the "Bank").

RECITALS

The Issuer has duly authorized and provided for the issuance of its obligations, entitled Hidalgo County, Texas Certificates of Obligation, Series 2019A (the "Certificates") to be issued as fully registered certificates;

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

The Issuer and the Bank wish to provide the terms under which the Bank will act as Paying Agent/Registrar to pay the principal of and interest on the Certificates, in accordance with the terms thereof, and under which the Bank will act as Paying Agent/Registrar for the Certificates;

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

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE ONE

APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to act as Paying Agent with respect to the Certificates, to pay to the Registered Owners of the Certificates, in accordance with the terms and provisions of this Agreement and the Order, the principal of and interest on all or any of the Certificates.

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

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

Section 1.02. Compensation.

As compensation for the Bank's Services as Paying Agent and Registrar, the Issuer hereby agrees to pay the Bank the fees set forth in the Bank's fee schedule, then in effect for services as Paying Agent/Registrar for municipalities, attached as Exhibit "A" hereto. The Bank reserves the

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

The Issuer agrees to pay the Bank for any and all extraordinary/additional fees incurred in executing and following prudent and required procedures regarding a full or partial refunding of the Issues.

In addition, the Issuer agrees to reimburse Bank upon its request for all reasonable expenses, disbursements and advancements (including the reasonable compensation and expenses) made by Bank pursuant to, or as a result of, any of the provisions thereof.

ARTICLE TWO

DEFINITIONS

Section 2.01. Definitions.

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

"Bank" means The Bank of New York Mellon Trust Company, N.A., Dallas, Texas, a national bank duly organized and existing under the laws of the United States of America.

"Issuer" means the County of Hidalgo, Texas.

"Financial Advisor" means Estrada Hinojosa & Company, Inc., Dallas, Texas.

"Certificate or Certificates" means any one or all of the HIDALGO COUNTY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2019A dated May 15, 2019 in the amount of \$24,795,000.

"Order" shall mean the Order of the Issuer, approved May 21, 2019, pursuant to which the Certificates are issued.

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

"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 of any entity whatsoever.

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

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

ARTICLE THREE

DUTIES OF THE BANK

Section 3.01 Initial Delivery of Certificates.

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

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 as prepared by the Issuer's financial advisor, bond counsel or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the Issuer as the final closing memorandum. The Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 3.02. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of and interest of each Certificate in accordance with the provisions of the Order.

Section 3.03. Duties of Registrar.

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

Section 3.04. Unauthenticated Certificates.

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

Section 3.05. Reports.

The Bank will provide the Issuer, upon payment of any required fee, reports not less often than once each three months, which reports will describe in reasonable detail all transactions pertaining to the Certificates and the books of registration. The Issuer may also inspect and make copies of the information in the books of registration at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to

convert the information into written form.

The Bank will not release or disclose the content of the books of registration to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a subpoena, court order or as otherwise required by law. Upon receipt of a subpoena, court order or other lawful request, the Bank will notify the Issuer immediately so that the Issuer may contest the subpoena, court order or other request.

Section 3.06. Canceled Certificates.

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

Section 3.07. 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 certifications or opinions furnished to the Bank by the Issuer.

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

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

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

(e) The Bank may rely and shall be protected by the Issuer against any claim by the Issuer or any Person in acting or refraining from acting upon any order, certificate, statement, instrument, opinion, report, notice, request, direction, consent, ordinance, bond, vote, 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 a Certificate, but is protected in acting upon the receipt of a Certificate 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. Bank shall not be bound to make any investigation into the facts or matters stated in a order, certificate statement, instrument, opinion, report, notice, request, direction, consent, ordinance, bond, note, security or other paper or document supplied by Issuer.

Section 3.08. Money Held by Bank.

Money held by the Bank hereunder shall be held in trust for the benefit of the Registered Owners of the Certificates.

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

All money deposited with the Bank hereunder shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for paying agent accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation.

Any money deposited with the Bank for the payment of the principal, redemption premium, if any, or interest on any Certificate and remaining unclaimed by the Registered Owner after the expiration of three years from the date such funds have become due and payable shall be reported and disposed of by the Bank in accordance with the provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds; such funds shall be paid by the Bank to the Issuer upon receipt of a written request therefor from the Issuer. The Bank shall have no liability to the Registered Owners of the Certificates by virtue of actions taken in compliance with the foregoing provision. To the extent authorized by law, the County will indemnify and hold the Bank harmless from any liability for actions taken in compliance herewith, and the Bank shall not be answerable except for its own neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

Section 3.09. Maintaining Books.

The Bank shall either maintain the books of registration or provide electronic access to the books of registration at a place within the state as required by Section 1203.023 of the Texas Government Code.

ARTICLE FOUR

MISCELLANEOUS PROVISIONS

Section 4.01. May Own Certificates.

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

Section 4.02. Amendment.

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

Section 4.03. Assignment.

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

Section 4.04. Notices.

Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown herein, or such other address as may have been given by one party to the other by 15 days written notice.

Section 4.05 Effect of Headings.

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

Section 4.06. Successors and Assigns.

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

Section 4.07. Severability.

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

Section 4.08. Benefits of Agreement.

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

Section 4.09. Order Governs Conflict.

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

Section 4.10. Indemnification.

To the extent permitted by Law, the County shall indemnify, defend and hold harmless the Bank, its directors, officer, employees, agents and affiliates (each an "indemnified person") against all liabilities, expenses (including the fees and expenses of in house and outside counsel), judgments, claims, taxes (other than income taxes imposed on fees earned by the Bank hereunder) and other losses of any kind whatsoever ("losses") incurred by an indemnified person in connection with (a) the Bank's execution, delivery and performance of the Agreement, except with respect to any indemnified person to the extent that a court of competent jurisdiction determines that any such loss was due to the negligence or bad faith of such indemnified person, or (b) any action taken or inaction suffered by an indemnified person in connection with the Agreement as the result of any instruction, order, request, notice or other communication from the County.

Section 4.11. Term and Termination.

This Agreement shall be effective from and after its date and may be terminated for any reason by the Issuer or the Bank at any time upon 60 days written notice; provided, however, that no such termination shall be effective until a successor has been appointed and has accepted the duties

of the Bank hereunder. In the event of early termination regardless of circumstances, the Bank shall deliver to the Issuer or its designee all funds, Certificates and all books and records pertaining to the Bank's role as Paying Agent and Registrar with respect to the Certificates, including, but not limited to, the books of registration.

Section 4.12. Governing Law.

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

Section 4.13.

Pursuant to Chapter 2270, Texas Government Code (“Chapter 2270”), and solely for purposes relating to Chapter 2270, the Bank verifies, except to the extent otherwise required by applicable federal law, that it is not a company that boycotts or will boycott Israel through the term of the Agreement. The terms “boycotts Israel” and “boycott Israel” as used in this paragraph have the meanings assigned to the term “boycott Israel” in Section 808.001 of the Texas Government Code. The Bank is a company as defined in Section 808.001(2) of the Texas Government Code, which means a for-profit sole proprietorship, organization, association, corporation, partnership, joint venture, limited partnership, limited liability partnership, or limited liability company, including a wholly owned subsidiary, majority-owned subsidiary, parent company, or affiliate of those entities or business associations that exists to make a profit.

Additionally, pursuant to Chapter 2252, Texas Government Code (“Chapter 2252”), the Bank certifies, to the extent this Agreement constitutes a governmental contract within the meaning of Section 2252.151 of Chapter 2252, solely for purposes of compliance with Chapter 2252, except to the extent otherwise required by applicable federal law, that it is not, nor is any wholly owned subsidiary, majority-owned subsidiary, parent company or affiliate of the Bank, a company that has been listed by the Texas Comptroller of Public Accounts under Sections 806.051 , 807.051 , or 2252.153 of the Texas Government Code.

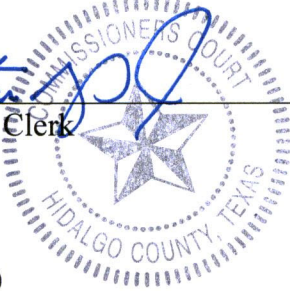
IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

COUNTY OF HIDALGO

By: Debra J. Lewis
County Judge

ATTEST:

Antonio J. [Signature]
County Clerk



(SEAL)

THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.

By: _____

Title:

ATTEST:

(SEAL)

EXHIBIT A

PAYING AGENT/REGISTRAR FEES