

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of August 19, 2014 (this "Agreement"), by and between Avery Ranch Road District No. 1 (the "Issuer"), and Bank of Texas, N.A. ("BOT").

RECITALS

WHEREAS, the Issuer has previously issued bonds using Regions Bank, Austin, Texas and Bank of New York Mellon Trust Company N.A., Dallas, Texas (the "Banks") as Paying Agent/Registrar and such Securities having been issued in fully registered form only as to the payment of principal and interest thereon; and

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

WHEREAS, BOT 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 BOT to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the BOT 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 "Ordinance" (hereinafter defined).

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

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

Section 1.02. Compensation.

As compensation for BOT's services as Paying Agent/Registrar, the Issuer hereby agrees to pay BOT the fees and amounts set forth in Schedule "21A" attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in BOT's current fee schedule then in effect for services as Paying Agent/Registrar for political subdivisions, which shall be supplied to the Issuer on or before 90 days prior to the close of the Fiscal Year of the Issuer, and shall be effective upon the first day of the following Fiscal Year.

In addition, the Issuer agrees to reimburse BOT upon its request for all reasonable expenses, disbursements and advances incurred or made by BOT 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:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the designated office for payment of BOT as indicated on the signature page hereof. BOT will notify the Issuer in writing of any change in location of BOT Office.

"Fiscal Year" means the fiscal year of the Issuer, ending September 30.

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

"Issuer Request" and "Issuer Ordinance" means a written request or resolution signed in the name of the Issuer by the System Representative, as defined in the Ordinance, any one or more of said officials, delivered to BOT.

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

"Ordinance" means the orders, ordinances or resolutions of the governing body of the Issuer pursuant to which the Securities are issued, certified by the District Secretary of the Issuer or any other officer of the Issuer and delivered to BOT.

"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 Ordinance).

"Responsible Officer" when used with respect to BOT 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 BOT 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 BOT on behalf of the Issuer providing for the registration and transfer of the Securities.

"Stated Maturity" means the date specified in the Ordinance on which 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 BOT in the performance of the duties and functions of this Agreement.

Any other terms not defined herein, shall have the meaning given to them in the Ordinance, unless the context otherwise requires.

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent.

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

As Paying Agent, BOT 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 BOT, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates.

The Issuer hereby instructs BOT to pay the principal of and interest on the Securities on the dates specified in the Ordinance.

Section 3.03 Reporting Requirements.

To the extent required by the Internal Revenue Code of 1986, as amended, or the Treasury Regulations, BOT shall report to or cause to be reported to the Holders and the Internal Revenue Service the amount of interest paid or the amount treated as interest accrued on the Securities which is required to be reported by the Holders on their returns of federal income tax.

ARTICLE FOUR REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges.

BOT agrees to keep and maintain for and on behalf of the Issuer at BOT Office books and records (herein sometimes referred to as the "Security Register"), and, if BOT Office is located outside the State of Texas, a copy of such books and records shall be kept in the State of Texas, 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 BOT may prescribe. BOT also agrees to keep a copy of the Security Register within the State of Texas. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities

Dealers, in form satisfactory to BOT, duly executed by the Holder thereof or his agent duly authorized in writing.

BOT 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, BOT 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 cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Certificates.

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

Section 4.03. Form of Security Register.

BOT, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with BOT's general practices and procedures in effect from time to time. BOT shall not be obligated to maintain such Security Register in any form other than those which BOT 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.

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

BOT 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 or other notice of a legal proceeding and prior to the release or disclosure of any of the contents of the Security Register, BOT will notify the Issuer so that the Issuer may contest the same or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Certificates.

BOT will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

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

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

In case any Security shall be mutilated, or destroyed, lost or stolen, BOT, 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 BOT of evidence satisfactory to BOT of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to BOT of indemnification in an amount satisfactory to hold the Issuer and BOT 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.

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

**ARTICLE FIVE
BOT**

Section 5.01. Duties of Bank.

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

Section 5.02. Reliance on Documents, Etc.

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

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

(c) No provisions of this Agreement shall require BOT 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) BOT 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, BOT need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities certificates 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. BOT 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 the Issuer.

(e) BOT may consult with legal 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, provided that any such written advice or opinion is supplied to the Issuer by BOT.

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

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 BOT assumes no responsibility for their correctness.

BOT 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.

BOT, 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.

If BOT is not the sole holder of all of the Securities, BOT shall deposit any moneys received from the Issuer into a segregated account to be held by BOT solely for the benefit of the owners of the Securities to be used solely 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 such accounts until the principal and interest on such securities have been presented for payment and paid to the owner thereof. Payments made from such account shall be made by check drawn on such 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 BOT 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 BOT 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 BOT with respect to such monies shall thereupon cease. If the Issuer does not elect, BOT 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 BOT for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on BOT's part, arising out of or in connection with BOT's acceptance or administration of its duties hereunder, including the cost and expense incurred by BOT in defending against any claim or from liability imposed on BOT in connection with BOT's exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader.

The Issuer and BOT agree that BOT may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State of Texas and County where either BOT Office or the administrative offices of the Issuer are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The Issuer and BOT further agree that BOT 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.

**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 BOT shall be mailed or delivered to the Issuer or BOT, 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 and BOT shall bind their respective successors and assigns, whether so expressed or not.

Section 6.06. Severability.

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

Section 6.07. Benefits of Agreement.

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

Section 6.08. Entire Agreement.

This Agreement and the Ordinance constitute the entire agreement between the parties hereto relative to BOT acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Ordinance, the Ordinance 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 thirty (30) 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, BOT 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, BOT 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, 5.02, 5.03 and 5.06 of this Agreement 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.

[The remainder of this page is intentionally left blank.]

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

BOKF, NA dba Bank of Texas


By: JOSE A. GAYTAN JR.
Title: VICE PRESIDENT
100 Congress Avenue, Suite 250
Austin, Texas 78701

[SIGNATURE PAGE TO THE PAYING AGENT/REGISTRAR AGREEMENT]

AVERY RANCH ROAD DISTRICT NO. 1

By: 
Title: County Auditor

[SIGNATURE PAGE TO THE PAYING AGENT/REGISTRAR AGREEMENT]

SCHEDULE A
PAYING AGENT/REGISTRAR FEE SCHEDULE



AVERY RANCH ROAD DISTRICT NO. 1

SUCCESSOR PAYING AGENT/REGISTRAR Schedule of Fees

Acceptance Fee: **\$ 0**

Annual Administration Fee Per Bond Issue: **\$400.00**
(Billed Semi-Annually @ \$200.00 w/Debt Service)

For ordinary administration services by Paying Agent/Registrar – includes daily routine account management ; investment transactions ; cash transaction processing in accordance with the agreement ; and mailing of trust account statements to all applicable parties. Float credit received by the bank for receiving funds that remain uninvested are deemed part of the Paying Agent's compensation.

Call or Redemption of Bonds At Cost
Cost includes distribution to holders of record, redemption processing and notification to EMMA. Any and all publication expenses including Bond Buyer, Regional and Financial Periodicals for the call notice will be billed to the Issuer at cost.

Charges for performing extraordinary or other services not contemplated at the time of the execution of the transaction or not specifically covered elsewhere in this schedule will be determined by appraisal in the amounts commensurate with the service provided. Counsel fees, if ever retained as a result of a default, or other extraordinary occurrences on behalf of the bondholders or Bank of Texas, will be billed at cost.

Services not included in this Fee Schedule, but deemed necessary or desirable by you, may be subject to additional charges based on a mutually agreed upon fee schedule. Our proposal is subject in all aspects to review and acceptance of the final financing documents which sets forth our duties and responsibilities.

Jose Gaytan
Vice President
Tel: 512.813.2002
Fax: 512.813.2020
JGaytan@bankoftexas.com

Bank of Texas
Corporate Trust Services
100 Congress Avenue
Suite 250
Austin, TX 78701