

\$1,250,000
Rockwall County, Texas
Limited Tax Notes,
Series 2007

Rebate Computation for the Period
September 18, 2007 to September 30, 2008

325 North St. Paul Street
Suite 800
Dallas, TX 75201-3852

214.953.8756 Direct
800.678.3792 Toll Free
214.840.5040 Fax

Shelley D. Weiske, CPA
Senior Vice President

sweiske@firstsw.com

March 30, 2009

Mr. Bill Sinclair
County Treasurer
Rockwall County, Texas
101 E. Rusk Street
Suite 201
Rockwall, TX 75087-

\$ 1,250,000
Rockwall County, Texas
Limited Tax Notes,
Series 2007

In accordance with the terms of the “Agreement for Arbitrage Rebate Compliance Services” for the above-captioned obligations (the “Obligations”), we have completed an annual estimation of the rebate amount as defined in Section 148(f)(2) of the Internal Revenue Code of 1986, as amended. The estimate included in the report is intended for informational and internal reporting purposes only and not for filing requirements with the Internal Revenue Service. A separate calculation will be performed in connection with any required filing date.

The estimation of the rebate amount, included in this report, covers the investment of gross proceeds from September 18, 2007 (the delivery date of the Obligations) through September 30, 2008 (the “Computation Date”). The period from the delivery date of the Obligations to the Computation Date is hereinafter referred to as the “Computation Period.”

In order to determine the rebate amount for the Computation Period, we were provided with all the information regarding the issuance of the Obligations and the investment of the gross proceeds, as well as other information as deemed necessary under the circumstances. We did not perform any procedures to test the accuracy of the information provided to us. Certain information and definitions used in preparing the attached schedules are described in the Summary of Computational Information.

Based upon the computations included in this report, the rebate amount for the above-defined Computation Period is summarized as follows:



Summary of Rebatable Arbitrage:

| | | |
|---|------------|-------------------------|
| Actual Interest Earnings | \$ | 3,240.84 |
| Allowable Interest Earnings at Bond Yield | \$ | <u>9,717.39</u> |
| Cumulative Rebatable Arbitrage (net of allowable rebate credits) | <u>(\$</u> | <u>6,476.55)</u> |

The estimated rebate amount was determined using the provisions of Treasury Regulations Section 1.148, or the applicable regulations in effect on the date that the Obligations delivered. These regulations may be revised or replaced and, accordingly, the computations contained in this report may be subject to modification in order to comply with the revised regulations, if any, when issued. The terms of our engagement are such that we have no obligation to update the results of this report for events occurring or information coming to our attention subsequent to the date of this report.

We appreciate this opportunity to serve you. If you have any questions regarding the computations contained in this report, please do not hesitate to contact First Southwest Asset Management, Inc.

Sincerely,

FIRST SOUTHWEST ASSET MANAGEMENT, INC.

Table of Contents

| <u>Section</u> | <u>Description</u> |
|----------------|--|
| I | Summary of Computational Information |
| II | Computation of Debt Service Requirements on the Obligations Initial Offering Price to the Public Computation of Yield on the Obligations |
| III | Detail of Investment Transactions |
| IV | Summary of Taxable Transactions Computation of Yield on the Investments |
| V | Computation of Allowable Earnings and the Rebate Amount |

Summary of Computational Information

Section I

SUMMARY OF COMPUTATIONAL INFORMATION

ROCKWALL COUNTY, TEXAS

COMPUTATIONAL INFORMATION:

1. The following information was used to compute the debt service requirements and yield on the Obligations for the Computation Period:

| | |
|------------------------|--------------------|
| Dated Date: | August 15, 2007 |
| Delivery Date: | September 18, 2007 |
| First Coupon Date: | February 1, 2008 |
| Interest Accrues From: | August 15, 2007 |

2. Principal amounts, interest rates, and reoffering prices are as shown in the section entitled "Computation of Yield on the Obligations." The target used for computing the yield on the Obligations was as follows:

| | |
|---------------------------|------------------------------|
| Issue price to the public | <u>\$1,250,000.00</u> |
| Target | <u><u>\$1,250,000.00</u></u> |

3. Computations of yield are based upon a 360-day year and semiannual compounding.
4. The value of any fixed rate investments outstanding on the Computation Date was determined by calculating the present value of future receipts on the Computation Date using the purchased yield on the investments. The value of variable rate investments outstanding on the Computation Date was determined by using the investment's fair market value on that date. Premiums and discounts from the purchase of securities are treated as an adjustment to actual interest earned when the investment matures or is sold. Gains and losses from the sale of securities are treated as an adjustment to actual interest earned during the Computation Period.
5. The purchase price of investments is assumed to be at their fair market value, representing an arms length transaction which did not result in an abusive arbitrage device by reducing the rebate amount required to be paid to the United States. The purchase price is also assumed to exclude all costs which are not qualified administrative costs.

SUMMARY OF COMPUTATIONAL INFORMATION (continued)

ROCKWALL COUNTY, TEXAS

6. The Issuer maintains a common Debt Service Fund for all outstanding bond issues. The portion of the Debt Service Fund which will be depleted at least once a year except for a reasonable carryover amount not to exceed the greater of (a) prior year's earnings on the Debt Service Fund or (b) one-twelfth of the prior year's annual debt service, will be treated as a separate fund (the "Bona Fide Portion") and will not be included in the arbitrage rebate computation. Amounts remaining in the Debt Service Fund, other than such reasonable carryover amount, will be treated as a separate fund (the "Reserve Portion") and will be included in the computation of Rebatable Arbitrage. The Reserve Portion in each year was determined as of the date the Debt Service Fund was depleted to its minimum balance and held constant during the year. Interest earnings were allocated to the Obligations using the average daily balances associated with the Bona Fide and Reserve Portions of the Obligations in the Debt Service Fund.

DEFINITIONS

7. **Yield:** That yield, which, when used in computing the present worth of all payments of principal and interest to be paid on an obligation during the Computation Period, produces an amount equal to, in the case of the Obligations, the initial offering price to the public, and in the case of the investments, the fair market value on the date the investment becomes a nonpurpose investment.
8. **Allowable Earnings:** The amount which would have been earned if all investments had been invested at a rate equal to the yield on the Obligations.
9. **Excess Earnings:** The excess of actual investment earnings over the allowable earnings.
10. **Rebatable Arbitrage:** Cumulative excess earnings, plus cumulative interest earnings thereon.

Computation of Yield on the Obligations

Section II

\$ 1,250,000.00
 Rockwall County, Texas
 Limited Tax Notes,
 Series 2007

Debt Service Schedule

| Date | Principal | Coupon | Interest | Total P+I |
|--------------|-----------------------|----------|---------------------|-----------------------|
| 02/01/2008 | 165,000.00 | 3.750% | 17,993.05 | 182,993.05 |
| 08/01/2008 | - | - | 21,257.75 | 21,257.75 |
| 02/01/2009 | 165,000.00 | 3.810% | 21,257.75 | 186,257.75 |
| 08/01/2009 | - | - | 18,114.50 | 18,114.50 |
| 02/01/2010 | 170,000.00 | 3.840% | 18,114.50 | 188,114.50 |
| 08/01/2010 | - | - | 14,850.50 | 14,850.50 |
| 02/01/2011 | 175,000.00 | 3.880% | 14,850.50 | 189,850.50 |
| 08/01/2011 | - | - | 11,455.50 | 11,455.50 |
| 02/01/2012 | 185,000.00 | 3.940% | 11,455.50 | 196,455.50 |
| 08/01/2012 | - | - | 7,811.00 | 7,811.00 |
| 02/01/2013 | 190,000.00 | 3.980% | 7,811.00 | 197,811.00 |
| 08/01/2013 | - | - | 4,030.00 | 4,030.00 |
| 02/01/2014 | 200,000.00 | 4.030% | 4,030.00 | 204,030.00 |
| Total | \$1,250,000.00 | - | \$173,031.55 | \$1,423,031.55 |

Yield Statistics

| | |
|--|-------------|
| Accrued Interest from 09/18/2007 to 09/18/2007 | \$0.00 |
| Bond Yield for Arbitrage Purposes | 3.94777220% |
| Weighted Average Maturity | 3.505 Years |

\$ 1,250,000.00
 Rockwall County, Texas
 Limited Tax Notes,
 Series 2007

Pricing Summary

| Maturity | Type of Bond | Coupon | Yield | Issuance Value | Maturity Value | Price | DollarPrice |
|-----------------|---------------------|---------------|--------------|-----------------------|-----------------------|--------------|-----------------------|
| 02/01/2008 | Serial | 3.750% | 3.750% | 165,000.00 | 165,000.00 | 100.000% | 165,000.00 |
| 02/01/2009 | Serial | 3.810% | 3.810% | 165,000.00 | 165,000.00 | 100.000% | 165,000.00 |
| 02/01/2010 | Serial | 3.840% | 3.840% | 170,000.00 | 170,000.00 | 100.000% | 170,000.00 |
| 02/01/2011 | Serial | 3.880% | 3.880% | 175,000.00 | 175,000.00 | 100.000% | 175,000.00 |
| 02/01/2012 | Serial | 3.940% | 3.940% | 185,000.00 | 185,000.00 | 100.000% | 185,000.00 |
| 02/01/2013 | Serial | 3.980% | 3.980% | 190,000.00 | 190,000.00 | 100.000% | 190,000.00 |
| 02/01/2014 | Serial | 4.030% | 4.030% | 200,000.00 | 200,000.00 | 100.000% | 200,000.00 |
| Total | - | - | - | \$1,250,000.00 | \$1,250,000.00 | - | \$1,250,000.00 |

Bid Information

| | |
|--|-----------------------|
| Par Amount of Bonds | \$1,250,000.00 |
| Reoffering Premium or (Discount) | \$0.00 |
| Gross Production | \$1,250,000.00 |
| Accrued Interest from 09/18/2007 to 09/18/2007 | \$0.00 |
| Total Purchase Price | \$1,250,000.00 |

\$ 1,250,000.00
 Rockwall County, Texas
 Limited Tax Notes,
 Series 2007

Proof of Bond Yield @ 3.9477722%

| Date | Cashflow | PV Factor | Present Value | Cumulative PV |
|--------------|-----------------------|------------|---------------------|---------------|
| 02/01/2008 | 182,993.05 | 0.9856610x | 180,369.12 | 180,369.12 |
| 08/01/2008 | 21,257.75 | 0.9665818x | 20,547.35 | 200,916.48 |
| 02/01/2009 | 186,257.75 | 0.9478719x | 176,548.49 | 377,464.97 |
| 08/01/2009 | 18,114.50 | 0.9295242x | 16,837.87 | 394,302.83 |
| 02/01/2010 | 188,114.50 | 0.9115316x | 171,472.31 | 565,775.14 |
| 08/01/2010 | 14,850.50 | 0.8938873x | 13,274.67 | 579,049.81 |
| 02/01/2011 | 189,850.50 | 0.8765845x | 166,420.00 | 745,469.81 |
| 08/01/2011 | 11,455.50 | 0.8596166x | 9,847.34 | 755,317.15 |
| 02/01/2012 | 196,455.50 | 0.8429772x | 165,607.51 | 920,924.66 |
| 08/01/2012 | 7,811.00 | 0.8266599x | 6,457.04 | 927,381.70 |
| 02/01/2013 | 197,811.00 | 0.8106584x | 160,357.15 | 1,087,738.85 |
| 08/01/2013 | 4,030.00 | 0.7949667x | 3,203.72 | 1,090,942.56 |
| 02/01/2014 | 204,030.00 | 0.7795787x | 159,057.44 | 1,250,000.00 |
| Total | \$1,423,031.55 | - | 1,250,000.00 | - |

Derivation Of Target Amount

| | |
|--|-----------------------|
| Par Amount of Bonds | \$1,250,000.00 |
| Reoffering Premium or (Discount) | 0.00 |
| Accrued Interest from 09/18/2007 to 09/18/2007 | 0.00 |
| Bond Insurance Premium | 0.00 |
| Original Issue Proceeds | \$1,250,000.00 |

Detail of Investment Transactions

Section III

Issue Number: 0807-018

Rockwall County, Texas
Limited Tax Notes,
Series 2007

Purchase Date:09/18/2007 Description:Proj. Fund 072 9/18/07-9/30/08
 Maturity Date:09/30/2008 Type:Activity

Yield: 1.6787% Record: 1
 IRS Yield: 1.6787% Fund: 1

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Comment</u> |
|---------------|------------------|-----------------|-----------------|----------------------------|
| 09/18/2007 | (1,215,000.00) | 0.00 | (1,215,000.00) | |
| 10/09/2007 | 33,113.51 | 0.00 | 33,113.51 | |
| 10/15/2007 | 1,065,733.05 | 0.00 | 1,065,733.05 | |
| 10/24/2007 | 1,601.98 | 0.00 | 1,601.98 | |
| 10/25/2007 | (406.94) | 406.94 | 0.00 | Int. 9/2007 |
| 12/11/2007 | 6,458.62 | 0.00 | 6,458.62 | |
| 12/14/2007 | (682.13) | 682.13 | 0.00 | Int. 10/2007 |
| 01/23/2008 | (14,036.94) | 0.00 | (14,036.94) | FSC Reimb. Excess COI |
| 01/23/2008 | (220.46) | 0.00 | (220.46) | FSC Reimb. Int. COI |
| 01/24/2008 | (209.48) | 209.48 | 0.00 | Int. 11/2007 |
| 02/05/2008 | (287.54) | 287.54 | 0.00 | Int. 12/2007 |
| 02/05/2008 | (309.08) | 309.08 | 0.00 | Int. 1/2008 |
| 03/17/2008 | (357.44) | 357.44 | 0.00 | Int. 2/2008 |
| 04/04/2008 | (291.41) | 291.41 | 0.00 | Int. 3/2008 |
| 05/02/2008 | (237.92) | 237.92 | 0.00 | Int. 4/2008 |
| 05/13/2008 | 4,223.97 | 0.00 | 4,223.97 | |
| 06/09/2008 | (153.35) | 153.35 | 0.00 | Int. 5/2008 |
| 06/10/2008 | 898.00 | 0.00 | 898.00 | |
| 06/24/2008 | 229.99 | 0.00 | 229.99 | |
| 07/08/2008 | (110.83) | 110.83 | 0.00 | Int. 6/2008 |
| 08/07/2008 | (144.22) | 144.22 | 0.00 | Int. 7/2008 |
| 08/12/2008 | 449.97 | 0.00 | 449.97 | |
| 09/03/2008 | (145.67) | 145.67 | 0.00 | Int. 8/2008 |
| 09/09/2008 | 1,072.83 | 0.00 | 1,072.83 | |
| 09/23/2008 | 326.91 | 0.00 | 326.91 | |
| 09/30/2008 | 118,484.58 | 96.77 | 118,581.35 | Estimated Int. - Goal Seek |
| Totals | 0.00 | 3,432.78 | 3,432.78 | |

Purchase Date:09/18/2008 Description:Rebate Credits
 Maturity Date:09/18/2008 Type:Activity

Yield: 0.0000% Record: 2
 IRS Yield: 0.0000% Fund: 5

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Comment</u> |
|---------------|------------------|-------------------|-------------------|----------------|
| 09/18/2008 | 0.00 | (1,430.00) | (1,430.00) | |
| Totals | 0.00 | (1,430.00) | (1,430.00) | |

Issue Number: 0807-018

Rockwall County, Texas
Limited Tax Notes,
Series 2007

Purchase Date:09/30/2007 Description:DS Residual Alloc. - FY '08
 Maturity Date:09/30/2008 Type:Allocation

Yield: 3.1406% Record: 3
 IRS Yield: 3.1406% Fund: 3

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>Comment</u> |
|---------------|------------------|-----------------|-----------------|----------------|
| 09/30/2007 | (39,673.24) | 0.00 | (39,673.24) | |
| 10/31/2007 | 0.00 | 99.97 | 99.97 | |
| 11/30/2007 | 0.00 | 104.12 | 104.12 | |
| 12/31/2007 | 0.00 | 99.78 | 99.78 | |
| 01/31/2008 | 0.00 | 102.51 | 102.51 | |
| 02/29/2008 | 0.00 | 98.92 | 98.92 | |
| 03/31/2008 | 0.00 | 104.81 | 104.81 | |
| 04/30/2008 | 0.00 | 104.29 | 104.29 | |
| 05/31/2008 | 0.00 | 103.83 | 103.83 | |
| 06/30/2008 | 0.00 | 104.74 | 104.74 | |
| 07/31/2008 | 0.00 | 105.11 | 105.11 | |
| 08/31/2008 | 0.00 | 105.70 | 105.70 | |
| 09/30/2008 | 39,673.24 | 104.28 | 39,777.52 | |
| Totals | 0.00 | 1,238.06 | 1,238.06 | |

Summary of Taxable Transactions
and Yield on the Investment Portfolio

Section IV

**Rockwall County, Texas
Limited Tax Notes,
Series 2007**

Summary of Taxable Transactions

Issue Number: 0807-018

Calculation Date 09/30/2008 Annual Compoundings 2 Calc Basis: 30/360 Portfolio Yield: 1.331213%

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>PV Factor</u> | <u>Present Value</u> | <u>Principal Balance</u> |
|-------------|------------------|-----------------|----------------|------------------|----------------------|--------------------------|
| 09/18/2007 | (1,215,000.00) | 0.00 | (1,215,000.00) | 1.0000000 | (1,215,000.00) | 1,215,000.00 |
| 09/30/2007 | (39,673.24) | 0.00 | (39,673.24) | 0.9995578 | (39,655.70) | 1,254,673.24 |
| 10/09/2007 | 33,113.51 | 0.00 | 33,113.51 | 0.9992263 | 33,087.89 | 1,221,559.73 |
| 10/15/2007 | 1,065,733.05 | 0.00 | 1,065,733.05 | 0.9990054 | 1,064,673.06 | 155,826.68 |
| 10/24/2007 | 1,601.98 | 0.00 | 1,601.98 | 0.9986741 | 1,599.86 | 154,224.70 |
| 10/25/2007 | (406.94) | 406.94 | 0.00 | 0.9986373 | 0.00 | 154,631.64 |
| 10/31/2007 | 0.00 | 99.97 | 99.97 | 0.9984165 | 99.81 | 154,631.64 |
| 11/30/2007 | 0.00 | 104.12 | 104.12 | 0.9973499 | 103.85 | 154,631.64 |
| 12/11/2007 | 6,458.62 | 0.00 | 6,458.62 | 0.9969457 | 6,438.89 | 148,173.02 |
| 12/14/2007 | (682.13) | 682.13 | 0.00 | 0.9968354 | 0.00 | 148,855.15 |
| 12/31/2007 | 0.00 | 99.78 | 99.78 | 0.9962111 | 99.40 | 148,855.15 |
| 01/23/2008 | (14,257.40) | 0.00 | (14,257.40) | 0.9954036 | (14,191.87) | 163,112.55 |
| 01/24/2008 | (209.48) | 209.48 | 0.00 | 0.9953670 | 0.00 | 163,322.03 |
| 01/31/2008 | 0.00 | 102.51 | 102.51 | 0.9951102 | 102.01 | 163,322.03 |
| 02/05/2008 | (596.62) | 596.62 | 0.00 | 0.9949635 | 0.00 | 163,918.65 |
| 02/29/2008 | 0.00 | 98.92 | 98.92 | 0.9940838 | 98.33 | 163,918.65 |
| 03/17/2008 | (357.44) | 357.44 | 0.00 | 0.9934246 | 0.00 | 164,276.09 |
| 03/31/2008 | 0.00 | 104.81 | 104.81 | 0.9929121 | 104.07 | 164,276.09 |
| 04/04/2008 | (291.41) | 291.41 | 0.00 | 0.9928023 | 0.00 | 164,567.50 |
| 04/30/2008 | 0.00 | 104.29 | 104.29 | 0.9918514 | 103.44 | 164,567.50 |
| 05/02/2008 | (237.92) | 237.92 | 0.00 | 0.9917783 | 0.00 | 164,805.42 |
| 05/13/2008 | 4,223.97 | 0.00 | 4,223.97 | 0.9913763 | 4,187.54 | 160,581.45 |
| 05/31/2008 | 0.00 | 103.83 | 103.83 | 0.9907189 | 102.86 | 160,581.45 |
| 06/09/2008 | (153.35) | 153.35 | 0.00 | 0.9904268 | 0.00 | 160,734.80 |
| 06/10/2008 | 898.00 | 0.00 | 898.00 | 0.9903903 | 889.37 | 159,836.80 |
| 06/24/2008 | 229.99 | 0.00 | 229.99 | 0.9898794 | 227.66 | 159,606.81 |
| 06/30/2008 | 0.00 | 104.74 | 104.74 | 0.9896605 | 103.65 | 159,606.81 |
| 07/08/2008 | (110.83) | 110.83 | 0.00 | 0.9893688 | 0.00 | 159,717.64 |
| 07/31/2008 | 0.00 | 105.11 | 105.11 | 0.9885305 | 103.91 | 159,717.64 |
| 08/07/2008 | (144.22) | 144.22 | 0.00 | 0.9883119 | 0.00 | 159,861.86 |
| 08/12/2008 | 449.97 | 0.00 | 449.97 | 0.9881298 | 444.63 | 159,411.89 |
| 08/31/2008 | 0.00 | 105.70 | 105.70 | 0.9874381 | 104.37 | 159,411.89 |
| 09/03/2008 | (145.67) | 145.67 | 0.00 | 0.9873653 | 0.00 | 159,557.56 |
| 09/09/2008 | 1,072.83 | 0.00 | 1,072.83 | 0.9871470 | 1,059.04 | 158,484.73 |
| 09/18/2008 | 0.00 | (1,430.00) | (1,430.00) | 0.9868196 | (1,411.15) | 158,484.73 |

**Rockwall County, Texas
Limited Tax Notes,
Series 2007**

Summary of Taxable Transactions

Issue Number: 0807-018

Calculation Date 09/30/2008 Annual Compoundings 2 Calc Basis: 30/360 Portfolio Yield: 1.331213%

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>PV Factor</u> | <u>Present Value</u> | <u>Principal Balance</u> |
|-------------|------------------|-----------------|--------------|------------------|----------------------|--------------------------|
| 09/23/2008 | 326.91 | 0.00 | 326.91 | 0.9866378 | 322.54 | 158,157.82 |
| 09/30/2008 | 158,157.82 | 201.05 | 158,358.87 | 0.9863833 | 156,202.54 | 0.00 |
| <hr/> | | | | | | |
| Totals | 0.00 | 3,240.84 | 3,240.84 | | 0.00 | |

Computation of Allowable Earnings
and the Rebate Amount

Section V

**Rockwall County, Texas
 Limited Tax Notes,
 Series 2007**

Calculation of Actual and Allowable Earnings

Issue Number: 0807-018

Calculation Date 09/30/2008 Annual Compoundings: 2 Calc Basis: 30/360 Bond Yield: 3.947772%

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>FV Factor</u> | <u>Future Value At Allowable Yield</u> |
|-------------|------------------|-----------------|----------------|------------------|--|
| 09/18/2007 | (1,215,000.00) | 0.00 | (1,215,000.00) | 1.0412233 | (1,265,086.30) |
| 09/30/2007 | (39,673.24) | 0.00 | (39,673.24) | 1.0398673 | (41,254.91) |
| 10/09/2007 | 33,113.51 | 0.00 | 33,113.51 | 1.0388515 | 34,400.02 |
| 10/15/2007 | 1,065,733.05 | 0.00 | 1,065,733.05 | 1.0381749 | 1,106,417.31 |
| 10/24/2007 | 1,601.98 | 0.00 | 1,601.98 | 1.0371608 | 1,661.51 |
| 10/25/2007 | (406.94) | 406.94 | 0.00 | 1.0370481 | 0.00 |
| 10/31/2007 | 0.00 | 99.97 | 99.97 | 1.0364852 | 103.61 |
| 11/30/2007 | 0.00 | 104.12 | 104.12 | 1.0331141 | 107.57 |
| 12/11/2007 | 6,458.62 | 0.00 | 6,458.62 | 1.0318808 | 6,664.53 |
| 12/14/2007 | (682.13) | 682.13 | 0.00 | 1.0315446 | 0.00 |
| 12/31/2007 | 0.00 | 99.78 | 99.78 | 1.0297539 | 102.75 |
| 01/23/2008 | (14,257.40) | 0.00 | (14,257.40) | 1.0271852 | (14,644.99) |
| 01/24/2008 | (209.48) | 209.48 | 0.00 | 1.0270737 | 0.00 |
| 01/31/2008 | 0.00 | 102.51 | 102.51 | 1.0264047 | 105.22 |
| 02/05/2008 | (596.62) | 596.62 | 0.00 | 1.0258475 | 0.00 |
| 02/29/2008 | 0.00 | 98.92 | 98.92 | 1.0230664 | 101.20 |
| 03/17/2008 | (357.44) | 357.44 | 0.00 | 1.0211794 | 0.00 |
| 03/31/2008 | 0.00 | 104.81 | 104.81 | 1.0197389 | 106.88 |
| 04/04/2008 | (291.41) | 291.41 | 0.00 | 1.0192960 | 0.00 |
| 04/30/2008 | 0.00 | 104.29 | 104.29 | 1.0164222 | 106.00 |
| 05/02/2008 | (237.92) | 237.92 | 0.00 | 1.0162015 | 0.00 |
| 05/13/2008 | 4,223.97 | 0.00 | 4,223.97 | 1.0149883 | 4,287.28 |
| 05/31/2008 | 0.00 | 103.83 | 103.83 | 1.0131163 | 105.19 |
| 06/09/2008 | (153.35) | 153.35 | 0.00 | 1.0121267 | 0.00 |
| 06/10/2008 | 898.00 | 0.00 | 898.00 | 1.0120168 | 908.79 |
| 06/24/2008 | 229.99 | 0.00 | 229.99 | 1.0104794 | 232.40 |
| 06/30/2008 | 0.00 | 104.74 | 104.74 | 1.0098212 | 105.77 |
| 07/08/2008 | (110.83) | 110.83 | 0.00 | 1.0089443 | 0.00 |
| 07/31/2008 | 0.00 | 105.11 | 105.11 | 1.0065368 | 105.80 |
| 08/07/2008 | (144.22) | 144.22 | 0.00 | 1.0057720 | 0.00 |
| 08/12/2008 | 449.97 | 0.00 | 449.97 | 1.0052260 | 452.32 |
| 08/31/2008 | 0.00 | 105.70 | 105.70 | 1.0032631 | 106.05 |
| 09/03/2008 | (145.67) | 145.67 | 0.00 | 1.0029363 | 0.00 |
| 09/09/2008 | 1,072.83 | 0.00 | 1,072.83 | 1.0022830 | 1,075.28 |
| 09/18/2008 | 0.00 | (1,430.00) | (1,430.00) | 1.0013040 | (1,431.86) |

**Rockwall County, Texas
 Limited Tax Notes,
 Series 2007**

Calculation of Actual and Allowable Earnings

Issue Number: 0807-018

Calculation Date 09/30/2008 Annual Compoundings: 2 Calc Basis: 30/360 Bond Yield: 3.947772%

| <u>Date</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> | <u>FV Factor</u> | <u>Future Value At Allowable Yield</u> |
|---------------|------------------|-----------------|--------------|------------------|--|
| 09/23/2008 | 326.91 | 0.00 | 326.91 | 1.0007604 | 327.16 |
| 09/30/2008 | 158,157.82 | 201.05 | 158,358.87 | 1.0000000 | 158,358.87 |
| Totals | 0.00 | 3,240.84 | 3,240.84 | | (6,476.55) |

Summary of Rebatable Arbitrage:

| | |
|---------------------------------------|---------------------------------|
| Actual Interest Earnings | 3,240.84 |
| Allowable Interest Earnings | 9,717.39 |
| Cumulative Rebatable Arbitrage | <u><u>(6,476.55)</u></u> |

Information Return for Tax-Exempt Governmental Obligations

(Rev. November 2000)
Department of the Treasury
Internal Revenue Service

Under Internal Revenue Code section 149(e)

See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here

1 Issuer's name
Rockwall County, Texas

2 Issuer's employer identification number
75-6001129

3 Number and street (or P.O. box if mail is not delivered to street address)
101 East Rusk Street

4 Report number
3 02

5 City, town, or post office, state, and ZIP code
Rockwall, Texas 75807

6 Date of issue
September 18, 2007

7 Name of issue
Limited Tax Notes, Series 2007

8 CUSIP number
774268GT7

9 Name and title of officer or legal representative whom the IRS may call for more information
John Blackwood, County Auditor

10 Telephone number of officer or legal representative
(972) 882-0200

Part II Type of issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

| | | | |
|----|---|----|------------------|
| 11 | <input type="checkbox"/> Education | 11 | |
| 12 | <input type="checkbox"/> Health and hospital | 12 | |
| 13 | <input type="checkbox"/> Transportation | 13 | |
| 14 | <input type="checkbox"/> Public safety | 14 | |
| 15 | <input type="checkbox"/> Environment (including sewage bonds) | 15 | |
| 16 | <input type="checkbox"/> Housing | 16 | |
| 17 | <input type="checkbox"/> Utilities | 17 | |
| 18 | <input checked="" type="checkbox"/> Other. Describe Computer equipment, software, jails; equipment for roads; etc | 18 | 1,250,000 |
| 19 | If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/> | | |
| 20 | If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/> | | |

Part III Description of Obligations. (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 | 2/1/2014 | \$ 1,250,000 | \$ 1,250,000 | 3.505 years | 3.9478 % |

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

| | | | |
|----|--|----|-----------|
| 22 | Proceeds used for accrued interest | 22 | |
| 23 | Issue price of entire issue (enter amount from line 21, column (b)) | 23 | 1,250,000 |
| 24 | Proceeds used for bond issuance costs (including underwriters' discount) | 24 | 35,000 |
| 25 | Proceeds used for credit enhancement | 25 | 0 |
| 26 | Proceeds allocated to reasonably required reserve or replacement fund | 26 | 0 |
| 27 | Proceeds used to currently refund prior issues | 27 | 0 |
| 28 | Proceeds used to advance refund prior issues | 28 | 0 |
| 29 | Total (add lines 24 through 28) | 29 | 35,000 |
| 30 | Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 1,215,000 |

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded years

32 Enter the remaining weighted average maturity of the bonds to be advance refunded years

33 Enter the last date on which the refunded bonds will be called

34 Enter the date(s) the refunded bonds were issued

Part VI Miscellaneous

35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) (0)

36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions) (0)

b Enter the final maturity date of the guaranteed investment contract

37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units (0)

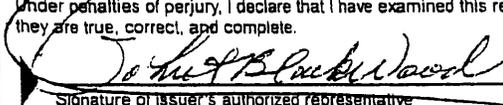
b If this issue is a loan made from the proceeds of another tax-exempt issue, check box and enter the name of the issuer and the date of the issue

38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box

39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box

40 If the issuer has identified a hedge, check box

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.

Sign Here  **John Blackwood**
County Auditor
Type or print name and title

9/18/2007
Date