$11,500,000
Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax), Series 2007

Rebate Computation for the Period
May 24, 2007 to September 30, 2008

First Southwest Asset Management

First Southwest Asset Management

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March 30, 2009

Mr. Bill Sinclair
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Rockwall County, Texas
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Suite 201
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$ 11,500,000
Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
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 May 24, 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	$	399,354.17
Allowable Interest Earnings at Bond Yield	$	398,058.49
Cumulative Rebatable Arbitrage (net of allowable rebate credits)	**$**	**1,295.68**

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.

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	Computation of Yield on the Investments
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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:	April 1, 2007
Delivery Date:	May 24, 2007
First Coupon Date:	February 1, 2008

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	$11,543,216.90
Accrued Interest on the Obligations	74,230.18
Less: Insurance Premium	(18,365.10)
Target	$11,599,081.98

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

$ 11,500,000.00
Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
Series 2007

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
02/01/2008	205,000.00	4.000%	420,170.83	625,170.83
08/01/2008	-	-	248,002.50	248,002.50
02/01/2009	385,000.00	4.000%	248,002.50	633,002.50
08/01/2009	-	-	240,302.50	240,302.50
02/01/2010	400,000.00	4.000%	240,302.50	640,302.50
08/01/2010	-	-	232,302.50	232,302.50
02/01/2011	420,000.00	4.000%	232,302.50	652,302.50
08/01/2011	-	-	223,902.50	223,902.50
02/01/2012	435,000.00	4.000%	223,902.50	658,902.50
08/01/2012	-	-	215,202.50	215,202.50
02/01/2013	455,000.00	5.750%	215,202.50	670,202.50
08/01/2013	-	-	202,121.25	202,121.25
02/01/2014	485,000.00	5.750%	202,121.25	687,121.25
08/01/2014	-	-	188,177.50	188,177.50
02/01/2015	515,000.00	5.750%	188,177.50	703,177.50
08/01/2015	-	-	173,371.25	173,371.25
02/01/2016	540,000.00	4.000%	173,371.25	713,371.25
08/01/2016	-	-	162,571.25	162,571.25
02/01/2017	560,000.00	4.000%	162,571.25	722,571.25
08/01/2017	-	-	151,371.25	151,371.25
02/01/2018	585,000.00	4.000%	151,371.25	736,371.25
08/01/2018	-	-	139,671.25	139,671.25
02/01/2019	605,000.00	4.000%	139,671.25	744,671.25
08/01/2019	-	-	127,571.25	127,571.25
02/01/2020	630,000.00	4.100%	127,571.25	757,571.25
08/01/2020	-	-	114,656.25	114,656.25
02/01/2021	660,000.00	4.250%	114,656.25	774,656.25
08/01/2021	-	-	100,631.25	100,631.25
02/01/2022	690,000.00	4.250%	100,631.25	790,631.25
08/01/2022	-	-	85,968.75	85,968.75
02/01/2023	720,000.00	4.375%	85,968.75	805,968.75
08/01/2023	-	-	70,218.75	70,218.75
02/01/2024	750,000.00	4.375%	70,218.75	820,218.75
08/01/2024	-	-	53,812.50	53,812.50
02/01/2025	785,000.00	4.375%	53,812.50	838,812.50
08/01/2025	-	-	36,640.63	36,640.63
02/01/2026	820,000.00	4.375%	36,640.63	856,640.63
08/01/2026	-	-	18,703.13	18,703.13
02/01/2027	855,000.00	4.375%	18,703.13	873,703.13
Total	**$11,500,000.00**	-	**$5,990,568.35**	**$17,490,568.35**

Yield Statistics

Accrued Interest from 04/01/2007 to 05/24/2007	$74,230.18
Bond Yield for Arbitrage Purposes	4.33883550%
Weighted Average Maturity	11.671 Years

$ 11,500,000.00
Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
Series 2007

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Issuance Value	Maturity Value	Price	DollarPrice
02/01/2008	Serial	4.000%	3.600%	205,000.00	205,000.00	100.264%	205,541.20
02/01/2009	Serial	4.000%	3.650%	385,000.00	385,000.00	100.563%	387,167.55
02/01/2010	Serial	4.000%	3.680%	400,000.00	400,000.00	100.807%	403,228.00
02/01/2011	Serial	4.000%	3.730%	420,000.00	420,000.00	100.917%	423,851.40
02/01/2012	Serial	4.000%	3.760%	435,000.00	435,000.00	101.018%	439,428.30
02/01/2013	Serial	5.750%	3.820%	455,000.00	455,000.00	109.774%	499,471.70
02/01/2014	Serial	5.750%	3.860%	485,000.00	485,000.00	111.038%	538,534.30
02/01/2015	Serial	5.750%	3.920%	515,000.00	515,000.00	112.036%	576,985.40
02/01/2016	Serial	4.000%	3.980%	540,000.00	540,000.00	100.141%	540,761.40
02/01/2017	Serial	4.000%	4.050%	560,000.00	560,000.00	99.597%	557,743.20
02/01/2018	Serial	4.000%	4.170%	585,000.00	585,000.00	98.541%	576,464.85
02/01/2019	Serial	4.000%	4.210%	605,000.00	605,000.00	98.072%	593,335.60
02/01/2020	Serial	4.100%	4.300%	630,000.00	630,000.00	98.054%	617,740.20
02/01/2021	Serial	4.250%	4.340%	660,000.00	660,000.00	99.073%	653,881.80
02/01/2022	Serial	4.250%	4.420%	690,000.00	690,000.00	98.172%	677,386.80
02/01/2023	Serial	4.375%	4.460%	720,000.00	720,000.00	99.042%	713,102.40
02/01/2024	Serial	4.375%	4.500%	750,000.00	750,000.00	98.538%	739,035.00
02/01/2025	Term 1	4.375%	4.565%	785,000.00	785,000.00	97.543%	765,712.55
02/01/2026	Term 1	4.375%	4.565%	820,000.00	820,000.00	97.543%	799,852.60
02/01/2027	Term 1	4.375%	4.565%	855,000.00	855,000.00	97.543%	833,992.65
Total	-	-	-	**$11,500,000.00**	**$11,500,000.00**	-	- **$11,543,216.90**

Bid Information

Par Amount of Bonds	$11,500,000.00
Reoffering Premium or (Discount)	$43,216.90
Gross Production	$11,543,216.90
Accrued Interest from 04/01/2007 to 05/24/2007	$74,230.18
Total Purchase Price	$11,617,447.08

$ 11,500,000.00
Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
Series 2007

Proof of Bond Yield @ 4.3388355%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
02/01/2008	625,170.83	0.9709785x	607,027.46	607,027.46
08/01/2008	248,002.50	0.9503612x	235,691.96	842,719.42
02/01/2009	633,002.50	0.9301817x	588,807.34	1,431,526.76
08/01/2009	240,302.50	0.9104307x	218,778.76	1,650,305.52
02/01/2010	640,302.50	0.8910990x	570,572.92	2,220,878.44
08/01/2010	232,302.50	0.8721778x	202,609.09	2,423,487.52
02/01/2011	652,302.50	0.8536584x	556,843.51	2,980,331.03
08/01/2011	223,902.50	0.8355322x	187,077.75	3,167,408.78
02/01/2012	658,902.50	0.8177909x	538,844.48	3,706,253.26
08/01/2012	215,202.50	0.8004263x	172,253.75	3,878,507.01
02/01/2013	670,202.50	0.7834304x	525,057.04	4,403,564.05
08/01/2013	202,121.25	0.7667954x	154,985.65	4,558,549.70
02/01/2014	687,121.25	0.7505137x	515,693.89	5,074,243.59
08/01/2014	188,177.50	0.7345776x	138,230.98	5,212,474.57
02/01/2015	703,177.50	0.7189799x	505,570.51	5,718,045.08
08/01/2015	173,371.25	0.7037134x	122,003.68	5,840,048.76
02/01/2016	713,371.25	0.6887711x	491,349.52	6,331,398.28
08/01/2016	162,571.25	0.6741461x	109,596.77	6,440,995.05
02/01/2017	722,571.25	0.6598316x	476,775.33	6,917,770.38
08/01/2017	151,371.25	0.6458210x	97,758.74	7,015,529.12
02/01/2018	736,371.25	0.6321080x	465,466.13	7,480,995.24
08/01/2018	139,671.25	0.6186861x	86,412.66	7,567,407.90
02/01/2019	744,671.25	0.6055492x	450,935.07	8,018,342.97
08/01/2019	127,571.25	0.5926912x	75,610.36	8,093,953.33
02/01/2020	757,571.25	0.5801063x	439,471.86	8,533,425.19
08/01/2020	114,656.25	0.5677886x	65,100.51	8,598,525.70
02/01/2021	774,656.25	0.5557324x	430,501.61	9,029,027.30
08/01/2021	100,631.25	0.5439323x	54,736.58	9,083,763.89
02/01/2022	790,631.25	0.5323827x	420,918.38	9,504,682.27
08/01/2022	85,968.75	0.5210783x	44,796.45	9,549,478.72
02/01/2023	805,968.75	0.5100140x	411,055.32	9,960,534.04
08/01/2023	70,218.75	0.4991846x	35,052.12	9,995,586.16
02/01/2024	820,218.75	0.4885851x	400,746.68	10,396,332.83
08/01/2024	53,812.50	0.4782107x	25,733.72	10,422,066.55
02/01/2025	838,812.50	0.4680566x	392,611.75	10,814,678.30
08/01/2025	36,640.63	0.4581181x	16,785.74	10,831,464.04
02/01/2026	856,640.63	0.4483907x	384,109.66	11,215,573.70
08/01/2026	18,703.13	0.4388697x	8,208.24	11,223,781.94
02/01/2027	873,703.13	0.4295510x	375,300.05	11,599,081.98
Total	**$17,490,568.35**	-	**11,599,081.98**	-

Derivation Of Target Amount

$ 11,500,000.00
Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
Series 2007

Proof of Bond Yield @ 4.3388355%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
Par Amount of Bonds				$11,500,000.00
Reoffering Premium or (Discount)				43,216.90
Accrued Interest from 04/01/2007 to 05/24/2007				74,230.18
Bond Insurance Premium				(18,365.10)
Original Issue Proceeds				$11,599,081.98

Detail of Investment Transactions

Section III

Issue Number: 0807-017

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax), Series 2007

Purchase Date:05/24/2007 Description:TexStar 5/24/07-9/30/07 Yield: 5.3919% Record: 1
Maturity Date:09/30/2007 Type:Activity IRS Yield: 5.3919% Fund: 1

Date	Principal	Interest	Total	Comment
05/24/2007	(11,355,000.00)	0.00	(11,355,000.00)	
05/31/2007	(13,161.29)	13,161.29	0.00	
06/20/2007	820,995.29	0.00	820,995.29	
06/30/2007	(48,098.95)	48,098.95	0.00	
07/26/2007	400,000.00	0.00	400,000.00	
07/31/2007	(47,185.17)	47,185.17	0.00	
08/27/2007	667,771.61	0.00	667,771.61	
08/31/2007	(45,214.90)	45,214.90	0.00	
09/10/2007	300,735.89	0.00	300,735.89	
09/30/2007	(39,591.22)	39,591.22	0.00	
09/30/2007	9,358,748.74	0.00	9,358,748.74	
Totals	0.00	193,251.53	193,251.53	

Issue Number: 0807-017

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
Series 2007

Purchase Date:09/30/2007 Description:TexStar 9/30/07-9/30/08 Yield: 3.7155% Record: 2
Maturity Date:09/30/2008 Type:Activity IRS Yield: 3.7155% Fund: 1

Date	Principal	Interest	Total	Comment
09/30/2007	(9,358,748.74)	0.00	(9,358,748.74)	
10/31/2007	(38,953.26)	38,953.26	0.00	
11/09/2007	300,000.00	0.00	300,000.00	
11/30/2007	(35,434.49)	35,434.49	0.00	
12/11/2007	1,000,000.00	0.00	1,000,000.00	
12/26/2007	450,000.00	0.00	450,000.00	
12/31/2007	(32,319.70)	32,319.70	0.00	
01/23/2008	900,000.00	0.00	900,000.00	
01/31/2008	(26,708.06)	26,708.06	0.00	
02/26/2008	1,010,000.00	0.00	1,010,000.00	
02/29/2008	(18,239.94)	18,239.94	0.00	
03/31/2008	(14,810.41)	14,810.41	0.00	
04/09/2008	1,099,170.17	0.00	1,099,170.17	
04/30/2008	(10,185.53)	10,185.53	0.00	
05/13/2008	1,165,668.50	0.00	1,165,668.50	
05/27/2008	719,861.31	0.00	719,861.31	
05/31/2008	(7,397.06)	7,397.06	0.00	
06/30/2008	(5,351.57)	5,351.57	0.00	
07/22/2008	500,000.00	0.00	500,000.00	
07/22/2008	78,607.00	0.00	78,607.00	
07/31/2008	(5,045.19)	5,045.19	0.00	
08/12/2008	261,112.39	0.00	261,112.39	
08/12/2008	21,461.59	0.00	21,461.59	
08/26/2008	14,860.18	0.00	14,860.18	
08/31/2008	(4,028.16)	4,028.16	0.00	
09/10/2008	11,303.20	0.00	11,303.20	
09/24/2008	173,911.77	0.00	173,911.77	
09/30/2008	(3,766.57)	3,766.57	0.00	
09/30/2008	1,855,032.57	0.00	1,855,032.57	
Totals	0.00	202,239.94	202,239.94	

Purchase Date:05/24/2008 Description:Rebate Credits Yield: 0.0000% Record: 3
Maturity Date:05/24/2008 Type:Rebate Credits IRS Yield: 0.0000% Fund: 5

Date	Principal	Interest	Total	Comment
05/24/2008	0.00	(1,430.00)	(1,430.00)	
Totals	0.00	(1,430.00)	(1,430.00)	

Issue Number: 0807-017

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax),
Series 2007

Purchase Date:09/30/2007 Description:DS Residual Alloc. - FY '08 Yield: 3.1406% Record: 4
Maturity Date:09/30/2008 Type:Allocation IRS Yield: 3.1406% Fund: 3

Date	Principal	Interest	Total	Comment
09/30/2007	(169,603.13)	0.00	(169,603.13)	
10/31/2007	0.00	427.35	427.35	
11/30/2007	0.00	445.13	445.13	
12/31/2007	0.00	426.57	426.57	
01/31/2008	0.00	438.24	438.24	
02/29/2008	0.00	422.87	422.87	
03/31/2008	0.00	448.08	448.08	
04/30/2008	0.00	445.82	445.82	
05/31/2008	0.00	443.85	443.85	
06/30/2008	0.00	447.75	447.75	
07/31/2008	0.00	449.35	449.35	
08/31/2008	0.00	451.88	451.88	
09/30/2008	169,603.13	445.80	170,048.93	
Totals	0.00	5,292.70	5,292.70	

Summary of Taxable Transactions and Yield on the Investment Portfolio

Section IV

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax), Series 2007

Summary of Taxable Transactions

Issue Number: 0807-017

Calculation Date 09/30/2008 Annual Compoundings 2 Calc Basis: 30/360 Portfolio Yield: 4.352594%

Date	Principal	Interest	Total	PV Factor	Present Value	Principal Balance
05/24/2007	(11,355,000.00)	0.00	(11,355,000.00)	1.0000000	(11,355,000.00)	11,355,000.00
05/31/2007	(13,161.29)	13,161.29	0.00	0.9991631	0.00	11,368,161.29
06/20/2007	820,995.29	0.00	820,995.29	0.9968950	818,446.11	10,547,166.00
06/30/2007	(48,098.95)	48,098.95	0.00	0.9957033	0.00	10,595,264.95
07/26/2007	400,000.00	0.00	400,000.00	0.9926117	397,044.68	10,195,264.95
07/31/2007	(47,185.17)	47,185.17	0.00	0.9920183	0.00	10,242,450.12
08/27/2007	667,771.61	0.00	667,771.61	0.9889380	660,384.75	9,574,678.51
08/31/2007	(45,214.90)	45,214.90	0.00	0.9884650	0.00	9,619,893.41
09/10/2007	300,735.89	0.00	300,735.89	0.9874015	296,947.08	9,319,157.52
09/30/2007	(209,194.35)	39,591.22	(169,603.13)	0.9850423	(167,066.26)	9,528,351.87
10/31/2007	(38,953.26)	39,380.61	427.35	0.9813967	419.40	9,567,305.13
11/09/2007	300,000.00	0.00	300,000.00	0.9804581	294,137.42	9,267,305.13
11/30/2007	(35,434.49)	35,879.62	445.13	0.9779985	435.34	9,302,739.62
12/11/2007	1,000,000.00	0.00	1,000,000.00	0.9767126	976,712.56	8,302,739.62
12/26/2007	450,000.00	0.00	450,000.00	0.9749618	438,732.80	7,852,739.62
12/31/2007	(32,319.70)	32,746.27	426.57	0.9743789	415.64	7,885,059.32
01/23/2008	900,000.00	0.00	900,000.00	0.9718183	874,636.45	6,985,059.32
01/31/2008	(26,708.06)	27,146.30	438.24	0.9708888	425.48	7,011,767.38
02/26/2008	1,010,000.00	0.00	1,010,000.00	0.9679900	977,669.90	6,001,767.38
02/29/2008	(18,239.94)	18,662.81	422.87	0.9676427	409.18	6,020,007.32
03/31/2008	(14,810.41)	15,258.49	448.08	0.9639462	431.92	6,034,817.73
04/09/2008	1,099,170.17	0.00	1,099,170.17	0.9630242	1,058,527.52	4,935,647.56
04/30/2008	(10,185.53)	10,631.35	445.82	0.9606084	428.26	4,945,833.09
05/13/2008	1,165,668.50	0.00	1,165,668.50	0.9591159	1,118,011.16	3,780,164.59
05/24/2008	0.00	(1,430.00)	(1,430.00)	0.9578548	(1,369.73)	3,780,164.59
05/27/2008	719,861.31	0.00	719,861.31	0.9575112	689,275.23	3,060,303.28
05/31/2008	(7,397.06)	7,840.91	443.85	0.9570532	424.79	3,067,700.34
06/30/2008	(5,351.57)	5,799.32	447.75	0.9537392	427.04	3,073,051.91
07/22/2008	578,607.00	0.00	578,607.00	0.9512329	550,390.00	2,494,444.91
07/31/2008	(5,045.19)	5,494.54	449.35	0.9502095	426.98	2,499,490.10
08/12/2008	282,573.98	0.00	282,573.98	0.9489601	268,151.43	2,216,916.12
08/26/2008	14,860.18	0.00	14,860.18	0.9473724	14,078.12	2,202,055.94
08/31/2008	(4,028.16)	4,480.04	451.88	0.9468060	427.84	2,206,084.10
09/10/2008	11,303.20	0.00	11,303.20	0.9457873	10,690.42	2,194,780.90
09/24/2008	173,911.77	0.00	173,911.77	0.9442049	164,208.34	2,020,869.13

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax), Series 2007

Summary of Taxable Transactions

Issue Number: 0807-017

Calculation Date 09/30/2008 Annual Compoundings 2 Calc Basis: 30/360 Portfolio Yield: 4.352594%

Date	Principal	Interest	Total	PV Factor	Present Value	Principal Balance
09/30/2008	2,020,869.13	4,212.37	2,025,081.50	0.9435275	1,910,720.12	0.00
Totals	0.00	399,354.17	399,354.17		0.00	

Computation of Allowable Earnings and the Rebate Amount

Section V

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax), Series 2007

Calculation of Actual and Allowable Earnings

Issue Number: 0807-017

Calculation Date 09/30/2008 Annual Compoundings: 2 Calc Basis: 30/360 Bond Yield: 4.338835%

Date	Principal	Interest	Total	FV Factor	Future Value At Allowable Yield
05/24/2007	(11,355,000.00)	0.00	(11,355,000.00)	1.0596598	(12,032,437.52)
05/31/2007	(13,161.29)	13,161.29	0.00	1.0589020	0.00
06/20/2007	820,995.29	0.00	820,995.29	1.0563799	867,282.92
06/30/2007	(48,098.95)	48,098.95	0.00	1.0551211	0.00
07/26/2007	400,000.00	0.00	400,000.00	1.0518552	420,742.06
07/31/2007	(47,185.17)	47,185.17	0.00	1.0513536	0.00
08/27/2007	667,771.61	0.00	667,771.61	1.0479744	699,807.54
08/31/2007	(45,214.90)	45,214.90	0.00	1.0475996	0.00
09/10/2007	300,735.89	0.00	300,735.89	1.0463512	314,675.37
09/30/2007	(209,194.35)	39,591.22	(169,603.13)	1.0438590	(177,041.76)
10/31/2007	(38,953.26)	39,380.61	427.35	1.0401317	444.50
11/09/2007	300,000.00	0.00	300,000.00	1.0390162	311,704.85
11/30/2007	(35,434.49)	35,879.62	445.13	1.0364178	461.35
12/11/2007	1,000,000.00	0.00	1,000,000.00	1.0350594	1,035,059.35
12/26/2007	450,000.00	0.00	450,000.00	1.0332098	464,944.40
12/31/2007	(32,319.70)	32,746.27	426.57	1.0327171	440.53
01/23/2008	900,000.00	0.00	900,000.00	1.0298889	926,899.99
01/31/2008	(26,708.06)	27,146.30	438.24	1.0290296	450.96
02/26/2008	1,010,000.00	0.00	1,010,000.00	1.0258445	1,036,102.95
02/29/2008	(18,239.94)	18,662.81	422.87	1.0253554	433.59
03/31/2008	(14,810.41)	15,258.49	448.08	1.0216942	457.80
04/09/2008	1,099,170.17	0.00	1,099,170.17	1.0205984	1,121,811.29
04/30/2008	(10,185.53)	10,631.35	445.82	1.0180461	453.87
05/13/2008	1,165,668.50	0.00	1,165,668.50	1.0164693	1,184,866.21
05/24/2008	0.00	(1,430.00)	(1,430.00)	1.0151370	(1,451.65)
05/27/2008	719,861.31	0.00	719,861.31	1.0147739	730,496.47
05/31/2008	(7,397.06)	7,840.91	443.85	1.0144110	450.25
06/30/2008	(5,351.57)	5,799.32	447.75	1.0107889	452.58
07/22/2008	578,607.00	0.00	578,607.00	1.0081409	583,317.39
07/31/2008	(5,045.19)	5,494.54	449.35	1.0071797	452.58
08/12/2008	282,573.98	0.00	282,573.98	1.0057397	284,195.86
08/26/2008	14,860.18	0.00	14,860.18	1.0040622	14,920.55
08/31/2008	(4,028.16)	4,480.04	451.88	1.0035834	453.50
09/10/2008	11,303.20	0.00	11,303.20	1.0023875	11,330.19
09/24/2008	173,911.77	0.00	173,911.77	1.0007157	174,036.23

Rockwall County, Texas
Permanent Improvement Bonds (Limited Tax), Series 2007

Calculation of Actual and Allowable Earnings

Issue Number: 0807-017

Calculation Date 09/30/2008 Annual Compoundings: 2 Calc Basis: 30/360 Bond Yield: 4.338835%

Date	Principal	Interest	Total	FV Factor	Future Value At Allowable Yield
09/30/2008	2,020,869.13	4,212.37	2,025,081.50	1.0000000	2,025,081.50
Totals	0.00	399,354.17	399,354.17		1,295.68

Summary of Rebatable Arbitrage:

Actual Interest Earnings	399,354.17
Allowable Interest Earnings	398,058.49
Cumulative Rebatable Arbitrage	**1,295.68**

Form **8038-G**

(Rev. November 2000)

Department of the Treasury
Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

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

OMB No. 1545-0720

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 — Room/suite	4 Report number 3 01
5 City, town, or post office, state, and ZIP code Rockwall, Texas 75807	6 Date of issue May 24, 2007
7 Name of issue Permanent Improvement Bonds (Limited Tax), Series 2007	8 CUSIP number 774268GL4
9 Name and title of officer or legal representative whom the IRS may call for more information Chris Florance, County Judge	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	☐ 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	
18	☒ Other. Describe ▶ Construct, acquire and equip a county library	18	11,543,217
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

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	2/1/2027	$ 11,543,217	$ 11,500,000	11.671 years	4.3388 %

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

22	Proceeds used for accrued interest			22	74,230
23	Issue price of entire issue (enter amount from line 21, column (b))			23	11,543,217
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	167,330		
25	Proceeds used for credit enhancement	25	18,365		
26	Proceeds allocated to reasonably required reserve or replacement fund	26			
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	185,695
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	11,357,522

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)	35	(0)
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	(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	37a	(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 ▶ ☐

Sign Here

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.

▶ Chris Florance — 5/24/07 — ▶ Chris Florance, County Judge

Signature of issuer's authorized representative — Date — Type or print name and title