$2,000,000
Rockwall County, Texas
Limited Tax Notes,
Series 2008A

Rebate Computation for the Period
September 25, 2008 to September 30, 2009

FirstSouthwest
A PlainsCapital Company℠

FirstSouthwest
A PlainsCapital Company

Shelley D. Weiske, CPA
Senior Vice President

January 26, 2010

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

$ 2,000,000
Rockwall County, Texas
Limited Tax Notes,
Series 2008A

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 25, 2008 (the delivery date of the Obligations) through September 30, 2009 (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.

direct 214.953.8756 toll free 800.678.3792
fax 214.840.5040
shelley.weiske@firstsw.com
325 North St. Paul Street, Suite 800, Dallas, Texas 75201-3852

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	$	5,171.95
Allowable Interest Earnings at Bond Yield	$	31,943.31
Cumulative Rebatable Arbitrage (net of allowable rebate credits)	**($**	**26,771.36)**

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

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:	September 1, 2008
Delivery Date:	September 25, 2008
First Coupon Date:	February 1, 2009
Interest Accrues From:	September 25, 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	$2,021,680.00
Target	$2,021,680.00

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 County 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

$2,000,000.00

Rockwall County, Texas

Limited Tax Notes, Series 2008A

Debt Service Schedule

Date	Principal	Coupon	Interest	Total P+I
02/01/2009	265,000.00	4.090%	28,630.00	293,630.00
02/01/2010	260,000.00	4.090%	70,961.50	330,961.50
02/01/2011	270,000.00	4.090%	60,327.50	330,327.50
02/01/2012	285,000.00	4.090%	49,284.50	334,284.50
02/01/2013	295,000.00	4.090%	37,628.00	332,628.00
02/01/2014	305,000.00	4.090%	25,562.50	330,562.50
02/01/2015	320,000.00	4.090%	13,088.00	333,088.00
Total	**$2,000,000.00**	-	**$285,482.00**	**$2,285,482.00**

Yield Statistics

Bond Year Dollars	$6,980.00
Average Life	3.490 Years
Average Coupon	4.0900000%
Net Interest Cost (NIC)	3.7793983%
True Interest Cost (TIC)	3.7501039%
Bond Yield for Arbitrage Purposes	3.7501039%
All Inclusive Cost (AIC)	3.7501039%

IRS Form 8038

Net Interest Cost	3.7388689%
Weighted Average Maturity	3.490 Years

$2,000,000.00

Rockwall County, Texas
Limited Tax Notes, Series 2008A

Pricing Summary

Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
02/01/2015	Term 1 Coupon	4.090%	3.895%	2,000,000.00	101.084%	2,021,680.00
Total	-	-	-	**$2,000,000.00**	-	**$2,021,680.00**

Bid Information

Par Amount of Bonds	$2,000,000.00
Reoffering Premium or (Discount)	21,680.00
Gross Production	$2,021,680.00
Bid (101.084%)	2,021,680.00
Total Purchase Price	$2,021,680.00
Bond Year Dollars	$6,980.00
Average Life	3.490 Years
Average Coupon	4.0900000%
Net Interest Cost (NIC)	3.7793983%
True Interest Cost (TIC)	3.7501039%

$2,000,000.00

Rockwall County, Texas

Limited Tax Notes, Series 2008A

Proof Of Bond Yield @ 3.7501039%

Date	Cashflow	PV Factor	Present Value	Cumulative PV
09/25/2008	-	1.0000000x	-	-
02/01/2009	293,630.00	0.9870804x	289,836.41	289,836.41
08/01/2009	35,480.75	0.9689127x	34,377.75	324,214.16
02/01/2010	295,480.75	0.9510795x	281,025.69	605,239.84
08/01/2010	30,163.75	0.9335745x	28,160.11	633,399.95
02/01/2011	300,163.75	0.9163917x	275,067.56	908,467.51
08/01/2011	24,642.25	0.8995251x	22,166.32	930,633.84
02/01/2012	309,642.25	0.8829690x	273,404.50	1,204,038.34
08/01/2012	18,814.00	0.8667176x	16,306.42	1,220,344.76
02/01/2013	313,814.00	0.8507653x	266,982.06	1,487,326.82
08/01/2013	12,781.25	0.8351066x	10,673.71	1,498,000.53
02/01/2014	317,781.25	0.8197361x	260,496.77	1,758,497.30
08/01/2014	6,544.00	0.8046486x	5,265.62	1,763,762.92
02/01/2015	326,544.00	0.7898387x	257,917.08	2,021,680.00
Total	**$2,285,482.00**	-	**$2,021,680.00**	-

Derivation Of Target Amount

Par Amount of Bonds	$2,000,000.00
Reoffering Premium or (Discount)	21,680.00
Original Issue Proceeds	$2,021,680.00

Detail of Investment Transactions

Section III

Issue Number: 0807-020

Rockwall County, Texas
Limited Tax Notes,
Series 2008A

Purchase Date: 09/25/2008 Description: TexStar 09/25/08-9/30/09 Yield: 0.7895% Record: 1
Maturity Date: 09/30/2009 Type: Activity IRS Yield: 0.7895% Fund: 1

Date	Principal	Interest	Total	
09/25/2008	(1,961,000.00)	0.00	(1,961,000.00)	$1,961,000.00
09/26/2008	1,167,460.61	0.00	1,167,460.61	$793,539.39
09/30/2008	(314.67)	314.67	0.00	$793,854.06
10/31/2008	(1,201.79)	1,201.79	0.00	$795,055.85
11/30/2008	(1,022.77)	1,022.77	0.00	$796,078.62
12/31/2008	(932.60)	932.60	0.00	$797,011.22
01/31/2009	(609.56)	609.56	0.00	$797,620.78
02/28/2009	(431.55)	431.55	0.00	$798,052.33
03/31/2009	(402.96)	402.96	0.00	$798,455.29
04/30/2009	(327.06)	327.06	0.00	$798,782.35
05/12/2009	600.00	0.00	600.00	$798,182.35
05/31/2009	(302.60)	302.60	0.00	$798,484.95
06/30/2009	(242.38)	242.38	0.00	$798,727.33
07/31/2009	(219.28)	219.28	0.00	$798,946.61
08/31/2009	(209.58)	209.58	0.00	$799,156.19
09/30/2009	(172.71)	172.71	0.00	$799,328.90
09/30/2009	799,328.90	0.00	799,328.90	$0.00
Totals	0.00	6,389.51	6,389.51	

Purchase Date: 09/30/2008 Description: DSF Residual 9/30/08-9/30/09 Yield: 0.7549% Record: 2
Maturity Date: 09/30/2009 Type: Allocation IRS Yield: 0.7549% Fund: 3

Date	Principal	Interest	Total
09/30/2008	(36,189.79)	0.00	(36,189.79)
10/31/2008	0.00	60.50	60.50
11/30/2008	0.00	43.53	43.53
12/31/2008	0.00	39.29	39.29
01/31/2009	0.00	22.99	22.99
02/28/2009	0.00	16.19	16.19
03/31/2009	0.00	18.51	18.51
04/30/2009	0.00	16.30	16.30
05/31/2009	0.00	14.00	14.00
06/30/2009	0.00	10.81	10.81
07/31/2009	0.00	11.20	11.20
08/31/2009	0.00	9.77	9.77
09/30/2009	36,189.79	9.36	36,199.14
Totals	0.00	272.44	272.44

Issue Number: 0807-020

Rockwall County, Texas
Limited Tax Notes,
Series 2008A

Purchase Date: 09/25/2009 Description: Rebate Credits Yield: 0.0000% Record: 3
Maturity Date: 09/25/2009 Type: Rebate Credits IRS Yield: 0.0000% Fund: 5

Date	Principal	Interest	Total	
09/25/2009	0.00	(1,490.00)	(1,490.00)	$0.00
Totals	0.00	(1,490.00)	(1,490.00)	

Summary of Taxable Transactions and Yield on the Investment Portfolio

Section IV

Rockwall County, Texas
Limited Tax Notes,
Series 2008A

Summary of Taxable Transactions

Issue Number: 0807-020

Calculation Date 09/30/2009 Annual Compoundings 2 Calc Basis: 30/360 Portfolio Yield: 0.612103%

Date	Principal	Interest	Total	PV Factor	Present Value	Principal Balance
09/25/2008	(1,961,000.00)	0.00	(1,961,000.00)	1.0000000	(1,961,000.00)	1,961,000.00
09/26/2008	1,167,460.61	0.00	1,167,460.61	0.9999830	1,167,440.79	793,539.39
09/30/2008	(36,504.46)	314.67	(36,189.79)	0.9999151	(36,186.72)	830,043.85
10/31/2008	(1,201.79)	1,262.29	60.50	0.9993890	60.46	831,245.64
11/30/2008	(1,022.77)	1,066.30	43.53	0.9988971	43.48	832,268.41
12/31/2008	(932.60)	971.89	39.29	0.9983715	39.23	833,201.01
01/31/2009	(609.56)	632.55	22.99	0.9978632	22.94	833,810.57
02/28/2009	(431.55)	447.74	16.19	0.9974059	16.15	834,242.12
03/31/2009	(402.96)	421.47	18.51	0.9968473	18.45	834,645.08
04/30/2009	(327.06)	343.36	16.30	0.9963566	16.24	834,972.14
05/12/2009	600.00	0.00	600.00	0.9961537	597.69	834,372.14
05/31/2009	(302.60)	316.60	14.00	0.9958324	13.95	834,674.74
06/30/2009	(242.38)	253.19	10.81	0.9953422	10.75	834,917.12
07/31/2009	(219.28)	230.48	11.20	0.9948185	11.14	835,136.40
08/31/2009	(209.58)	219.35	9.77	0.9943120	9.72	835,345.98
09/25/2009	0.00	(1,490.00)	(1,490.00)	0.9939070	(1,480.92)	835,345.98
09/30/2009	835,345.98	182.07	835,528.04	0.9938226	830,366.65	0.00
Totals	0.00	5,171.95	5,171.95		0.00	

Computation of Allowable Earnings and the Rebate Amount

Section V

Rockwall County, Texas
Limited Tax Notes,
Series 2008A

Calculation of Actual and Allowable Earnings

Issue Number: 0807-020

Calculation Date 09/30/2009 Annual Compoundings: 2 Calc Basis: 30/360 Bond Yield: 3.750103%

Date	Principal	Interest	Total	FV Factor	Future Value At Allowable Yield
09/25/2008	(1,961,000.00)	0.00	(1,961,000.00)	1.0383883	(2,036,279.48)
09/26/2008	1,167,460.61	0.00	1,167,460.61	1.0382811	1,212,152.34
09/30/2008	(36,504.46)	314.67	(36,189.79)	1.0378526	(37,559.67)
10/31/2008	(1,201.79)	1,262.29	60.50	1.0346442	62.59
11/30/2008	(1,022.77)	1,066.30	43.53	1.0314458	44.90
12/31/2008	(932.60)	971.89	39.29	1.0282572	40.40
01/31/2009	(609.56)	632.55	22.99	1.0250785	23.56
02/28/2009	(431.55)	447.74	16.19	1.0219096	16.55
03/31/2009	(402.96)	421.47	18.51	1.0187505	18.86
04/30/2009	(327.06)	343.36	16.30	1.0156012	16.55
05/12/2009	600.00	0.00	600.00	1.0143442	608.61
05/31/2009	(302.60)	316.60	14.00	1.0124616	14.18
06/30/2009	(242.38)	253.19	10.81	1.0093317	10.91
07/31/2009	(219.28)	230.48	11.20	1.0062115	11.27
08/31/2009	(209.58)	219.35	9.77	1.0031010	9.80
09/25/2009	0.00	(1,490.00)	(1,490.00)	1.0005162	(1,490.77)
09/30/2009	835,345.98	182.07	835,528.04	1.0000000	835,528.04
Totals	0.00	5,171.95	5,171.95		(26,771.36)

Summary of Rebatable Arbitrage:

Actual Interest Earnings	5,171.95
Allowable Interest Earnings	31,943.31
Cumulative Rebatable Arbitrage	**(26,771.36)**

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 02
5 City, town, or post office, state, and ZIP code: Rockwall, Texas 75087	6 Date of issue: September 25, 2008
7 Name of issue: Limited Tax Notes, Series 2008A	8 CUSIP number: None
9 Name and title of officer or legal representative whom the IRS may call for more information: John A. Blackwood, County Auditor	10 Telephone number of officer or legal representative: (972) 204-6050

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 ▶ acqusition and renovation of storage and office building	18	2,021,860
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	2/1/2015	$ 2,021,860	$ 2,000,000	3.490 years	3.7501 %

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	2,021,860
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	60,860		
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	60,860
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	1,961,000

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)	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.

▶ John A. Blackwood — Signature of issuer's authorized representative

9/25/2008 — Date

▶ John A. Blackwood, County Auditor — Type or print name and title