

AGENDA ITEM # 28

June 17, 1997

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Consideration and approval of an order authorizing the issuance of "Williamson County, Texas Limited Tax General Obligation bonds, Series 1997", providing for payment of said bonds by the annual levy of an ad valorem tax, within the limitations prescribed by law, upon all taxable property in the county; providing the terms and conditions of said bonds and resolving other matters incident and relating to the issuance, payment and security of said bonds, including the approval and distribution of an official statement, authorizing the execution of a paying agent/registrar agreement; complying with the rules and regulations promulgated by the depository trust company; and providing an effective date.

Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To approve an order authorizing the issuance of "Williamson County, Texas Limited Tax General Obligation bonds, Series 1997", providing for payment of said bonds by the annual levy of an ad valorem tax, within the limitations prescribed by law, upon all taxable property in the county; providing the terms and conditions of said bonds and resolving other matters incident and relating to the issuance, payment and security of said bonds, including the approval and distribution of an official statement; authorizing the execution of a paying agent/registrar agreement; complying with the rules and regulations promulgated by the depository trust company; and providing an effective date.

Vote: Motion carried 4 - 0

< Clerk copy here >

**FULBRIGHT & JAWORSKI
L.L.P.**

A REGISTERED LIMITED LIABILITY PARTNERSHIP
300 CONVENT STREET, SUITE 2200
SAN ANTONIO, TEXAS 78205

TELEPHONE: 210/224-5575
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WRITER'S DIRECT DIAL NUMBER:
210/270-7131

HOUSTON
WASHINGTON, D.C.
AUSTIN
SAN ANTONIO
DALLAS
NEW YORK
LOS ANGELES
LONDON
HONG KONG

May 30, 1997

Re: Williamson County, Texas Limited Tax General Obligation Bonds, Series
1997

Honorable John C. Doerfler
County Judge
Williamson County, Texas
County Courthouse
710 Main Street
Georgetown, Texas 78627

BY FEDERAL EXPRESS

Dear Judge Doerfler:

I enclose as Exhibit A to this letter the agenda item to be utilized in preparing the agenda for the June 17, 1997 regular meeting of the Commissioners Court. Thank you for ensuring that this agenda item is posted in accordance with the provisions of the Texas Open Meetings Act. I also enclose a copy of the Bond Order for inclusion in the Commissioners Court's agenda packets.

If you have any questions or comments concerning this matter, please do not hesitate to contact me.

Very truly yours,


W. Jeffrey Kuhn

WJK/tmg

Enclosure

cc: Ms. Jane Tableriou
Administrative Assistant
Office of the County Judge
Williamson County Courthouse
710 Main Street, Second Floor
Georgetown, Texas 78627

BY FEDERAL EXPRESS

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Honorable John C. Doerfler
May 30, 1997
Page 2

Mr. Eugene Taylor
Williamson County Attorney
Courthouse Annex, Second Floor
405 Martin Luther King Box 7
Georgetown, Texas 78626

BY FEDERAL EXPRESS

Mr. Dan Wegmiller
First Southwest Company
98 San Jacinto Boulevard, Suite 370
Austin, Texas 78701

BY FEDERAL EXPRESS

Mr. Juan F. Aguilera (Firm)

EXHIBIT A

CONSIDERATION AND APPROVAL OF AN ORDER AUTHORIZING THE ISSUANCE OF "WILLIAMSON COUNTY, TEXAS LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1997"; PROVIDING FOR THE PAYMENT OF SAID BONDS BY THE ANNUAL LEVY OF AN AD VALOREM TAX, WITHIN THE LIMITATIONS PRESCRIBED BY LAW, UPON ALL TAXABLE PROPERTY IN THE COUNTY; PROVIDING THE TERMS AND CONDITIONS OF SAID BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, AND SECURITY OF SAID BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; COMPLYING WITH THE RULES AND REGULATIONS PROMULGATED BY THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

0877007

DRAFT 05-29-97

AN ORDER AUTHORIZING THE ISSUANCE OF "WILLIAMSON COUNTY, TEXAS LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1997"; PROVIDING FOR THE PAYMENT OF SAID BONDS BY THE ANNUAL LEVY OF AN AD VALOREM TAX, WITHIN THE LIMITATIONS PRESCRIBED BY LAW, UPON ALL TAXABLE PROPERTY IN THE COUNTY; PROVIDING THE TERMS AND CONDITIONS OF SAID BONDS AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THE ISSUANCE, PAYMENT, AND SECURITY OF SAID BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT; COMPLYING WITH THE RULES AND REGULATIONS PROMULGATED BY THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Commissioners Court of Williamson County, Texas (the *County*) hereby finds and determines that limited tax general obligation bonds of the County in the total principal amount of \$3,000,000 should be issued and sold at this time, being all of the limited tax general obligation bonds approved and authorized to be issued at an election held on November 5, 1996 in the County, the respective authorized purposes and amounts authorized to be issued therefor, amounts previously issued, amounts being issued pursuant to this order, and amounts remaining to be issued from such voted authorization subsequent to the date hereof being as follows:

<u>Purpose</u>	<u>Amounts Authorized</u>	<u>Amounts Previously Issued</u>	<u>Amounts Sold this Sale</u>	<u>Unissued Bonds</u>
County Parks	\$3,000,000	\$0	\$3,000,000	\$0

WHEREAS, in accordance with the provisions of Section 81.006, as amended, Local Government Code, the Commissioners Court hereby finds and determines that this Order was adopted at a regularly scheduled meeting of the Commissioners Court; and

WHEREAS, the Commissioners Court hereby finds and determines that the issuance of the limited tax general obligation bonds is in the best interests of the citizens of the County, now, therefore,

BE IT ORDERED BY THE COMMISSIONERS COURT OF WILLIAMSON COUNTY, TEXAS THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose. Limited Tax General obligation bonds of the County shall be and are hereby authorized to be issued in the aggregate principal amount of \$3,000,000 (THREE MILLION AND

NO/100 DOLLARS), to be designated and bear the title "Williamson County, Texas Limited Tax General Obligation Bonds, Series 1997" (the *Bonds*), for the purpose of acquiring or improving land and buildings for park purposes, in conformity with the laws of the State of Texas, particularly Section 331.001 and 331.004, as amended, Local Government Code, an election held in the County on November 5, 1996, and pursuant to the provisions of a bond order (the *Order*) adopted on the date hereof by the Commissioners Court.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates - Date. The Bonds shall be issued as fully registered obligations, without coupons, in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be dated June 15, 1997 (the *Bond Date*), shall be lettered "R" and numbered consecutively from One (1) upward and principal shall become due and payable on August 15 in each of the years and in amounts (the *Stated Maturities*) and bear interest at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
1999	100,000	
2000	100,000	
2001	100,000	
2002	200,000	
2003	200,000	
2004	200,000	
2005	200,000	
2006	200,000	
2007	700,000	
2008	1,000,000	

The Bonds shall bear interest on the unpaid principal amounts from the Bond Date, or from the most recent Interest Payment Date to which interest has been paid or duly provided for to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable on February 15 and August 15 in each year, commencing August 15, 1998 (the *Interest Payment Date*).

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, or otherwise, shall be payable, without exchange or collection charges to the Holder (as hereinafter defined), appearing on the registration and transfer books maintained by the Paying Agent/Registrar (hereinafter defined), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The selection and appointment of Texas Commerce Bank National Association, Austin, Texas to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Bonds is hereby approved and confirmed, and the County agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached hereto in substantially final form as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the County may prescribe. The County covenants to maintain and provide a Paying Agent/Registrar at all times while the Bonds are Outstanding, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution, or (ii) an association or corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise trust powers. Such Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and shall be authorized by law to serve as a Paying Agent/Registrar.

The County reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or order terminating such agency. Additionally, the County agrees to promptly cause a written notice of this substitution to be sent to each Holder by United States Mail, first-class postage prepaid, which notice shall also give the address of the corporate office of the successor Paying Agent/Registrar.

Both principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, or otherwise, shall be payable only to the registered owner of the Bonds (the *Holder* or *Holders*) appearing on the Security Register (i) on the Record Date (hereinafter defined) for purposes of paying interest thereon, and (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof at the Bonds' Stated Maturity. The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds, shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding the Interest Payment Date for the Bonds (the *Record Date*) and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States Mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register, or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date*--which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption. The Bonds are not subject to redemption prior to Stated Maturity.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. A Security Register relating to the registration, payment, transfer, or exchange of the Bonds shall at all times be kept and maintained by the County at the corporate trust office of the Paying Agent/Registrar, and the Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each Holder of the Bonds issued under and pursuant to the provisions of this Order. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond at the corporate trust office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the County of authorized denominations and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the corporate trust office of

the Paying Agent/ Registrar. Whenever any Bonds are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds executed on behalf of, and furnished by, the County to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or sent by United States registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be valid obligations of the County, evidencing the same debt, and entitled to the same benefits under this Order, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Bonds, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 15 in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 6: Execution - Registration. The Bonds shall be executed on behalf of the County by the County Judge under the seal of the Commissioners Court reproduced or impressed thereon, registered by the County Treasurer, and countersigned by the County Clerk. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the County on the Bond Date shall be deemed to be duly executed on behalf of the County, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in the Bond Procedures Act of 1981, Texas Revised Civil Statutes Annotated Article 717k-6, as amended.

No Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified or registered and delivered.

SECTION 7: Initial Bond(s). The Bonds herein authorized shall be issued initially either (i) as a fully registered bond in the total principal amount of \$3,000,000 with principal installments to become due and payable as provided in Section 2 and numbered T-1, or (ii) as one (1) fully registered Bond for each year of Stated Maturity in the applicable principal amount, interest rate, and denomination and to be numbered consecutively from T-1 and upward (the *Initial Bond(s)*) and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval and certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas. At any time after the delivery of the Initial Bond(s) to the initial purchaser(s), the Paying Agent/Registrar, upon written instructions from the purchaser(s), or his or their designee, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts, and bearing applicable interest rates for transfer and delivery to the Holders named and at the addresses identified therefor; all in accordance with and pursuant to such written instructions from the initial purchaser(s), or his or their designee, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Registration, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends and any reproduction of an opinion of counsel) thereon as may, consistent herewith, be established by the County or determined by the officers executing the Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond(s) submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Bond.

REGISTERED
NO. _____

REGISTERED
\$ _____

United States of America
State of Texas
WILLIAMSON COUNTY, TEXAS
LIMITED TAX GENERAL OBLIGATION BONDS,
SERIES 1997

Interest Rate: _____ Bond Date: June 15, 1997 Stated Maturity: _____ CUSIP NO: _____

REGISTERED OWNER:

PRINCIPAL AMOUNT: DOLLARS

Williamson County, Texas (the *County*), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, on the Stated Maturity date specified above, the Principal Amount stated above and to pay interest on the unpaid Principal Amount hereof (computed on the basis of a 360-day year of twelve 30-day months) from the Bond Date specified above, or from the most recent Interest Payment Date to which interest has been paid or duly provided for, at the per annum rate specified above; such interest being payable on February 15 and August 15 of each year (the *Interest Payment Date*) commencing August 15, 1998.

Principal and premium, if any, of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding the Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States Mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$3,000,000 (the *Bonds*) pursuant to the authority conferred at an election held within the County on November 5, 1996 and by an order adopted by the governing body of the County (the *Order*), for the purpose of acquiring or improving land and buildings for park purposes in conformity with the laws of the State of Texas, particularly Section 331.001 and 331.004, as amended, Local Government Code, an election held in the County on November 5, 1996.

As set forth in the Order, the Bonds are not subject to redemption prior to Stated Maturity.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption has been duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable hereon from and after the redemption date on the principal amount hereof to be redeemed. If this Bond is called for redemption, in whole or in part, the County or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond within forty-five (45) days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property within the County.

Reference is hereby made to the Order, copies of which are on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at or prior to its Stated Maturity or redemption and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the same meanings assigned in the Order.

As provided in the Order and subject to certain limitations contained therein, this Bond is transferable on the Security Register of the County, upon surrender of this Bond for transfer at the corporate trust office of the Paying Agent/Registrar, duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by the Holder hereof, or his duly authorized agent, and thereupon one or more new fully registered Bonds of the same

Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The County and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Bond as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, and (iii) on any date as the owner hereof for all other purposes, and neither the County nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the *Special Payment Date*--which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States Mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, covenanted, and represented that all acts, conditions, and things required to be performed, exist, and be done precedent to or in the issuance of this Bond in order to render the same a legal, valid, and binding obligation of the County have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that the issuance of this Bond does not exceed any constitutional or statutory limitation. In case any provision in this Bond or any application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the County has caused this Bond to be duly executed under its official seal.

WILLIAMSON COUNTY, TEXAS

John C. Daefler 6-17-97
County Judge

COUNTERSIGNED:

Clara Brzelle
County Clerk and Ex-Officio Clerk
of the Commissioners Court of
Williamson County, Texas

REGISTERED:

County Treasurer

(SEAL OF THE COMMISSIONERS COURT)

C. * Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER	§	
OF PUBLIC ACCOUNTS	§	REGISTER NO.
	§	
THE STATE OF TEXAS	§	

I HEREBY CERTIFY that this Bond has been examined, certified as to validity, and approved by the Attorney General of the State of Texas and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this

.....
Comptroller of Public Accounts
of the State of Texas

(SEAL)

* NOTE TO PRINTER. Do not print on definitive bonds.

D. * Form of Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

This Bond has been duly issued under the provisions of the within-mentioned Order; the bond or bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

TEXAS COMMERCE BANK NATIONAL
ASSOCIATION
Austin, Texas,
as Paying Agent/Registrar

Registered this date:

_____ By _____
Authorized Officer

* NOTE TO PRINTER: Do not print on the Initial Bond.

E. Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee):
.....
.....
(Social Security or other identifying number:
.....) the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
..... attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: NOTICE:
Signature guaranteed: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.
.....

- F. The Initial Bond(s) shall be in the form set forth in paragraph B of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows:
- (i) immediately under the name of the bond the headings "Interest Rate _____" and "Stated Maturity ____" shall both be completed "as shown below";
 - (ii) the first two paragraphs shall read as follows:

Williamson County, Texas (the *County*), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, on the fifteenth day of August in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>YEARS OF STATED MATURITY</u>	<u>PRINCIPAL AMOUNTS (\$)</u>	<u>INTEREST RATES (%)</u>
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(Information to be inserted from schedule in Section 2 hereof.)

and to pay interest on the unpaid Principal Amounts hereof from the Bond Date at the per annum rates of interest specified above computed on the basis of a 360-day year of

twelve 30-day months; such interest being payable on February 15 and August 15 of each year (the *Interest Payment Date*) commencing August 15, 1998.

Principal of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the corporate trust office of Texas Commerce Bank National Association, Austin, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding the Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States Mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

G. Insurance Legend. If bond insurance is obtained by the County or the Purchaser (hereinafter defined), the Definitive Bonds and the Initial Bond(s) shall bear an appropriate legend as provided by the insurer.

SECTION 9: Definitions. For all purposes of this Order (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, certain terms used in Section 16 of this Order have the meanings assigned to them such Section, and all such terms, include the plural as well as the singular; (ii) all references in this Order to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Order as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

- (a) *Bonds* shall mean the "Williamson County, Texas Limited Tax General Obligation Bonds, Series 1997", dated June 15, 1997, authorized by this Order.
- (b) *County* shall mean Williamson County, Texas and where applicable, the Commissioners Court of the County.
- (c) *Closing Date* shall mean the date of physical delivery of the Initial Bonds in exchange for the payment in full by the Purchaser thereof.
- (d) *Depository* shall mean an official depository bank of the County.
- (e) *Government Securities* shall mean direct obligations of the United States of America, including obligations the payment of principal of and interest on which is unconditionally guaranteed by the United States of America,

and United States Treasury obligations such as its State and Local Government Series in book-entry form.

- (f) *Holder or Holders* shall mean the registered owner, whose name appears in the Security Register, for any Bond.
- (g) *Interest Payment Date* shall mean the date semi-annual interest is payable on the Bonds, being February 15 and August 15 of each year, commencing August 15, 1998 while any of the Bonds remain outstanding.
- (h) *Order* shall mean the order adopted by the Commissioners Court on June 17, 1997 authorizing the issuance of the Bonds.
- (i) *Outstanding* shall mean, as of the date of determination, all Bonds issued and delivered under this Order, except:
 - (1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
 - (2) those Bonds for which payment has been duly provided by the County in accordance with the provisions of Section 17 of this Order by the irrevocable deposit with the Paying Agent/ Registrar, or an authorized escrow agent, of money or Government Securities, or both, in the amount necessary to fully pay the principal of, premium, if any, and interest thereon to Stated Maturity or redemption, as the case may be, provided that, if such Bonds are to be redeemed, notice of redemption thereof shall have been duly given pursuant to this Order or irrevocably provided to be given to the satisfaction of the Paying Agent/Registrar, or waived; and
 - (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 15 of this Order.
- (j) *Purchaser* shall mean the initial purchaser of the Bonds referred to in Section 19 of this Order.
- (k) *Stated Maturity* shall mean the annual principal payments of the Bonds payable on August 15 of each year the Bonds are Outstanding as set forth in Section 2 of this Order.

SECTION 10: Bond Fund: Investments. For the purpose of paying the interest on and to provide a sinking fund for the payment, redemption, and retirement of the Bonds, there shall be and is hereby created a special Fund to be designated "LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 1997, INTEREST AND SINKING FUND" (the *Bond Fund*), which Fund shall be kept and maintained at the County's Depository, and money deposited in such Fund shall be used for no other

purpose and shall be maintained as provided in Section 16. Authorized officials of the County are hereby authorized and directed to make withdrawals from the Bond Fund sufficient to pay the principal of and interest on the Bonds as the same become due and payable and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Bond Fund an amount sufficient to pay the amount of principal and/or interest stated to mature on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Bonds.

Pending the transfer of funds to the Paying Agent/Registrar, money in any Fund established by this Order may, at the option of the County, be placed in time deposits or certificates of deposit, as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from the any Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any Fund shall be credited to, and any losses debited to, such Fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 11: Levy of Taxes; Excess Bond Proceeds. To provide for the payment of the debt service requirements on the Bonds being (i) the interest on the Bonds, and (ii) a sinking fund for their redemption at Stated Maturity or a sinking fund of 2% (whichever amount shall be the greater), there shall be and there is hereby levied for the current year and each succeeding year thereafter while the Bonds or any interest thereon shall remain Outstanding, a sufficient tax on each one hundred dollars' valuation of taxable property in the County, adequate to pay such debt service requirements, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the debt service requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Bond Fund. The Commissioners Court hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the said debt service requirements, it having been determined that the

existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding indebtedness.

Accrued interest and premium, if any, received from the Purchaser of the Bonds shall be deposited to the Bond Fund and ad valorem taxes levied and collected shall be deposited to the Bond Fund. In addition, any surplus proceeds from the sale of the Bonds, including investment income thereon, not expended for authorized purposes shall be deposited in the Bond Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Bond Fund from ad valorem taxes.

SECTION 12: Security for Funds. All money on deposit in the Funds for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Order.

SECTION 13: Notices to Holders-Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first-class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds or Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the County, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The County may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the County may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the County.

SECTION 15: Mutilated - Destroyed - Lost and Stolen Bonds. If (i) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the County and the

Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (ii) there is delivered to the County and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the County or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the County shall execute and, upon the County's request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously Outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the County in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond, or payment in lieu thereof, under this Section, the County may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses and charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the County, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost, or stolen Bonds.

SECTION 16: Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Bonds has the meaning set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The County shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the County receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the County shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent that it will cause the Bonds to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the County shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different

than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the County or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent that it will cause the Bonds to become "private activity bonds" within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the County shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent that it will cause the Bonds to become "arbitrage bonds" within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the County shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Bonds.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the County shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The County shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The County shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the County may commingle Gross Proceeds of the Bonds with other money of the County, provided that the County separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the County shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The County shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the County shall pay to the United States out of the Bond Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The County shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the County shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

J. Bonds Not Hedge Bonds.

(1) The County reasonably expects to spend at least 85% of the spendable proceeds of the Bonds within three years after such Bonds are issued.

(2) Not more than 50% of the proceeds of the Bonds will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

K. Elections. The County hereby directs and authorizes the County Judge, County Clerk, County Treasurer, and County Auditor, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

SECTION 17: Satisfaction of Obligation of County. If the County shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied and all covenants, agreements, and other obligations of the County to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, or any principal amount(s) thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof. The County covenants that no deposit

of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 16).

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the County or deposited as directed by the County. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity, or applicable redemption date, of the Bonds such money was deposited and is held in trust to pay shall upon the request of the County be remitted to the County against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

SECTION 18: Order a Contract - Amendments - Outstanding Bonds. The County acknowledges that the covenants and obligations of the County herein contained are a material inducement to the purchase of the Bonds. This Order shall constitute a contract with the Holders from time to time, shall be binding on the County, and shall not be amended or repealed by the County so long as any Bond remains Outstanding except as permitted in this Section. The County may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the County may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (ii) give any preference to any Bond over any other Bond, or (iii) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 19: Sale of the Bonds; Use of Bond Proceeds. The Bonds authorized by this Order are hereby sold by the County to _____ (the *Purchasers*, having all the rights, benefits, and obligations of a Holder), at the price of par, plus accrued interest to the date of initial delivery of the Bonds to the Purchasers, is hereby approved and confirmed. The Initial Bonds shall be registered in the name of _____. It is hereby officially found, determined, and declared that the Purchasers bid on the Bonds produces the lowest net interest cost to the County as a result of invitations for competitive bids in compliance with applicable law. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of the Order, upon payment therefor in accordance with the terms of sale.

Proceeds from the sale of the Bonds shall be applied as follows:

(1) Accrued interest and premium, if any, received from the Purchaser shall be deposited into the Bond Fund.

(2) The balance of the proceeds derived from the sale of the Bonds (after paying costs of issuance) shall be deposited into the special construction account or accounts created for the projects to be constructed with the bond proceeds. This special construction account shall be established and maintained at the County's Depository and shall be invested in accordance with the provisions of Section 10 of this Order. Interest earned on the proceeds of the Bonds pending completion of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Texas Revised Civil Statutes Annotated Article 717k-9, as amended, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 11.

SECTION 20: Control and Custody of Bonds. The County Judge of the County shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas including the printing and supply of definitive Bonds and shall take and have charge and control of the Initial Bond(s) pending its approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchaser.

Furthermore, the County Judge, County Clerk, County Treasurer, or County Auditor, either or all, are hereby authorized and directed to furnish and execute such documents relating to the County and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General, and their registration by the Comptroller of Public Accounts and, together with the County's financial advisor, bond counsel, and the Paying Agent/Registrar, to make the necessary arrangements for the delivery of the Initial Bond to the Purchaser and the initial exchange thereof for definitive Bonds.

SECTION 21: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the County covenants and agrees particularly that in the event the County (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Commissioners Court of the County and other officers of the County to observe and perform any covenant, condition, or obligation prescribed in this Order.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from

time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 22: Official Statement. The Commissioners Court ratifies and confirms its prior approval of the form and content of the Official Statement prepared in the initial offering and sale of the Bonds and hereby approves the form and content of any addenda, supplement, or amendment thereto. The use of such Official Statement in the reoffering of the Bonds by the Purchaser is hereby approved and authorized. The proper officials of the County are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

SECTION 23: Printed Opinion. The Purchaser's obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Fulbright & Jaworski L.L.P., Attorneys at Law, approving certain legal matters as to the Bonds, said opinion to be dated and delivered as of the date of initial delivery and payment for the Bonds. Printing of a true and correct copy of said opinion on the reverse side of each of the Bonds with appropriate certificate pertaining thereto executed by facsimile signature of the County Clerk of the County is hereby approved and authorized.

SECTION 24: CUSIP Numbers. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof, and neither the County nor attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

SECTION 25: Benefits of a Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the County, the Paying Agent/Registrar, bond counsel, and the Holders any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the County, the Paying Agent/Registrar, bond counsel, and the Holders.

SECTION 26: Inconsistent Provisions. All orders, orders, or resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict and the provisions of this Order shall be and remain controlling as to the matters contained herein.

SECTION 27: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 28: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 29: Severability. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this Commissioners Court hereby declares that this Order would have been enacted without such invalid provision.

SECTION 30: Public Meeting. It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 31: Authorization of Paying Agent/Registrar Agreement. The Commissioners Court of the County hereby finds and determines that it is in the best interest of the County to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, and transferability of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto as Exhibit A and is incorporated herein by reference as fully as if recopied in its entirety in this Order.

SECTION 32: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Order are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Commissioners Court.

SECTION 33: Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 34: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the County or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: No Recourse Against County. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Order against any official of the County or any person executing any Bond.

SECTION 36: Book-Entry Only System.

It is intended that the Bonds initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York, or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bonds described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The County and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representation attached hereto as Exhibit C (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, or (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Registrar, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Bond evidencing the obligation of the County to make payments of principal, premium, if any, and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

In the event that (a) the County determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the County determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the County shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of the Bonds, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the County may determine that the Bonds shall be registered in the name of and deposited with

a successor depository operating a securities depository system, as may be acceptable to the County, or such depository's agent or designee, and if the County and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 37: Continuing Disclosure Undertaking.

(a) *Definitions.*

As used in this Section, the following terms have the meanings ascribed to such terms below:

"MSRB" means the Municipal Securities Rulemaking Board.

"NRMSIR" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time.

"Rule" means SEC Rule 15c2-12, as amended from time to time.

"SEC" means the United States Securities and Exchange Commission.

"SID" means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time.

(b) *Annual Reports.*

The County shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year ending in or after 1997, financial information and operating data with respect to the County of the general type included in the final Official Statement authorized by Section 18 of this Order, being the information described in Exhibit E hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit E hereto, or such other accounting principles as the County may be required to employ from time to time pursuant to state law or regulation and (2) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the County shall provide audited financial

statements for the applicable fiscal year to each NRMSIR and any SID, when and if the audit report on such statements becomes available.

If the County changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(c) *Material Event Notices.*

The County shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any of the following events with respect to the Bonds, if such event is material within the meaning of the federal securities laws:

- a. Principal and interest payment delinquencies;
- b. Non-payment related defaults;
- c. Unscheduled draws on debt service reserves reflecting financial difficulties;
- d. Unscheduled draws on credit enhancements reflecting financial difficulties;
- e. Substitution of credit or liquidity providers, or their failure to perform;
- f. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- g. Modifications to rights of holders of the Bonds;
- h. Bond calls;
- i. Defeasances;
- j. Release, substitution, or sale of property securing repayment of the Bonds; and

k. **Rating changes.**

The County shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with this Section by the time required by this Section.

(d) ***Limitations, Disclaimers, and Amendments.***

The County shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the County remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the County in any event will give notice of any deposit made in accordance with Section 23 of this Order that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The County undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the County's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE COUNTY, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

No default by the County in observing or performing its obligations under this Section shall comprise a breach of or default under the Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the County under federal and state securities laws.

The provisions of this Section may be amended by the County from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions of this Section, as so amended,

would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. If the County so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

The County may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the County also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling the Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule.

SECTION 38: Effective Date. This Order shall be in force and effect from and after its final passage and it is so ordered.

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PASSED AND ADOPTED on the 17th day of June, 1997.

WILLIAMSON COUNTY, TEXAS

John C. Daehler 6-17-97
County Judge

ATTEST:

Clairie Byrd
County Clerk and Ex-Officio Clerk
of the Commissioners Court of
Williamson County, Texas

(SEAL OF THE COMMISSIONERS COURT)

Exhibit A - Paying Agent/Registrar Agreement
Exhibit B - DTC Letter of Representations
Exhibit C - Description of Financial Information and Operating Data

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. ____

EXHIBIT B

DTC Letter of Representations

See Tab No. ____

EXHIBIT C**DESCRIPTION OF FINANCIAL INFORMATION AND OPERATING DATA****Information and Data with Respect to the County**

The information and data with respect to the County referred to in Section 37 of this Order are the quantitative financial information and operating data specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

1. The County's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the County appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year.
2. Tables 1 through 13 as disclosed in the Official Statement.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

AGENDA ITEM # 29

June 17, 1997

*

Consideration and approval of an order authorizing the issuance of "Williamson County, Texas unlimited tax road bonds, Series 1997", providing for the payment of said bonds by the annual levy of an ad valorem tax, without limit as to rate or amount, upon all taxable property in the county; providing the terms and conditions of said bonds and resolving other matters incident and relating to the issuance, payment, and security of said bonds, including the approval and distribution of an official statement; authorizing the execution of a paying agent/registrar agreement; complying with the rules and regulations promulgated by the depository trust company; and providing an effective date.

Moved: Commissioner Hays

Seconded: Judge Doerfler

Motion: To approve an order authorizing the issuance of "Williamson County, Texas unlimited tax road bonds, Series 1997", providing for the payment of said bonds by the annual levy of an ad valorem tax, without limit as to rate or amount, upon all taxable property in the county; providing the terms and conditions of said bonds and resolving other matters incident and relating to the issuance, payment, and security of said bonds, including the approval and distribution of an official statement; authorizing the execution of a paying agent/registrar agreement; complying with the rules and regulations promulgated by the depository trust company; and providing an effective date.

Vote: Motion carried 4 - 0

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