

**AGENDA ITEM 29**

Consider approving sub-consultants contracts for Southwest Williamson County Regional Park

No action was taken on this agenda item.

**AGENDA ITEM 30**

Consider authorizing County Judge to sign petition requesting voluntary annexation of County Road 113.

Moved: **Commissioner Boatright**

Seconded: **Judge Doerfler**

Motion: To authorize County Judge to sign petition requesting voluntary annexation of County Road 113.

Vote: Motion carried 5 – 0

< Clerk copy recorded on pages 133 and 134 >

**COMMISSIONERS COURT RECONVENED AT 3 O'CLOCK P.M. ON TUESDAY,  
MAY 16, 2000**

**AGENDA ITEM 31**

Consideration and action with respect to "Order Authorizing the Issuance of \$60,000,000. Williamson County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2000A Levying an Ad Valorem Tax and Pledging Certain Revenues in Support of the Certificates; Approving a Paying Agent/Registrar Agreement; and Authorizing Other Matters Related to the Certificates."

(Action on this item to occur at 3:00 p.m. C.D.T.)

The following people voiced their concerns regarding the issuance of Combination Tax and Revenue Certificates of Obligation:

Mr. Robert Seamans of 104 Southcross Road, Georgetown, Texas 78628

Mr. Leonard Fisher of Florence, Texas 76527

Attorney John R. Duer, 1908 East 18<sup>th</sup> Street, Georgetown, Texas 78626

Louis Repa of Granger, Texas 76530

Mrs. Pauline Wolbrueck of Schwertner, Texas 76573

Williamson County District Clerk Bonnie Wolbrueck

Williamson County District Judge John Carter, 1144 Red Bud Lane, Round Rock, Texas 78664

Juvenile Services Director Charly Skaggs

Mr. George Stevenson of Georgetown, Texas 78628.

Mr. Victor Marek from Schwertner, Texas 76573

First Assistant County Attorney Dale Rye distributed a fact sheet to all in attendance with a copy for filing in the minutes of this meeting.

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## Q & A on Year 2000 Certificates of Obligation

**Q: Are the Williamson County juvenile detention facilities currently adequate?**

A: You be the judge—In 1990, the county had ten secure juvenile detention beds. Since there were approximately 22,500 juveniles (ages 10–16) in the county then, there was one bed per 2250 juveniles. In 1999, there were 41,000 juveniles in the county, and there were *still* just ten secure permanent beds, or one per 4160 juveniles. For comparison, Travis County had one secure juvenile bed for each 598 juveniles; both Dallas and Harris counties had about one per 2200. This means that many youth who would be detained in these counties (for their own protection and community safety) must be released here. Our detention facility is out of compliance with state law due to overcrowding. If it is not expanded, the county will lose about \$900,000 in annual state aid. Since providing juvenile services is not discretionary, making up this amount (plus any losses through litigation) would require a major increase in local property taxes, even without construction.

**Q: How many secure detention beds does the county need to accommodate future growth?**

A: The Williamson County Juvenile Board commissioned a study in 1994 by Mel Brown and Associates to project future needs. Another study was conducted by Croslin and Associates, Inc., in 2000. Both studies were consistent with internal projections by the Juvenile Services Department. All three studies prove a need for 48 secure detention beds by 2010 and at least 72 by 2020. The proposed juvenile facilities would provide adequate space for phased construction to meet these needs.

**Q: Do these projections make unwarranted assumptions that overstate future needs?**

A: All the studies assume: (1) a growth rate of 5% per year in the county juvenile population; (2) a constant juvenile crime rate of 32 referrals per 1000 population; (3) a constant rate of 7 detentions per 10 referrals; (4) a constant average stay of 14 days. All these assumptions are extremely conservative and are based on experience with the current overcrowded facilities. They are not a “wish list” to justify unnecessary expansion or expenditure, but assume that every reasonable step will still be taken to avoid detaining youth when any alternative exists.

**Q: Is there really a need for additional residential treatment beds for juveniles?**

A: Sadly, many juvenile offenders require rehabilitation and treatment outside their homes. The facilities of the Texas Youth Commission can house only the worst of these offenders, with counties expected and required to make up the difference. Many experts on long term youth facilities suggest that one county treatment bed per 750 juveniles in the population is not unreasonable. This would require 74 beds by 2010 and 121 by 2020. The 1994 Brown study recommended about that many, if one takes female offenders into account. However, the 2000 Croslin study concluded that most Texas counties are making do with roughly one bed per 1432 youth. Thus, Williamson County should have 28 beds *today*, instead of the actual total of 20. For lack of an alternative, some juveniles are being sent to extremely expensive private placements, while others are being left in dysfunctional homes. The proposed juvenile facilities would provide 48 long term residential beds, which is considered the minimum necessary to meet needs during this decade. Only a local facility allows involving parents and families in effective treatment; the existing county residential program has a very low 22% recidivism rate. Each of the studies investigated all possible alternatives, such as privatization, and this was the most cost-effective solution.

**Q: Why is the existing Williamson County Academy already too small? Was this bad planning?**

A: Just after the county bought the old Church of Christ property in Georgetown, the Legislature changed the law to make counties the “educator of last resort” for at-risk youth. The Juvenile

Services Department provides schooling for juveniles who have been expelled from one of our twelve local school districts, to avoid these youth being uneducated and unsupervised. Cooperation between the county and the school districts has kept our Juvenile Justice Alternative Education Program much smaller than in comparable counties. Nonetheless, there are already approximately 100 students in the Academy, which was designed for 84 youth. Classes are overflowing into the cafeteria and gym from the seven classrooms. This overcrowding is not only unsafe but also in violation of mandatory state standards. The proposed facility would accommodate 156 students (including the 48 in residential treatment). Again, this will be a bare bones facility with no fat.

**Q: What else is projected for the new juvenile facility? Is all this really necessary?**

A: The facility will also consolidate juvenile office and courtroom space from four locations to one, at a substantial saving in operating costs. The total projected cost of \$20 million for the overall facility is the smallest amount necessary to meet existing state mandates. Delay will only make the project more expensive and present unacceptable risks of adverse state action and private litigation, to say nothing of the substantial threat to public safety.

**Q: Are the Williamson County Jail facilities currently adequate?**

A: You be the judge—The Williamson County Jail has a permanent capacity of 342 inmates. On occasions within the past year, we have had 500–600 county prisoners. Each year, the jail census has risen in proportion to our overall county population growth of 5–10%.

**Q: Do we have to keep so many people in jail?**

A: While this might make a fine philosophical debate, the fact is that Williamson County has very little control over the size of its jail population. During 2000, 12,000 individuals will pass through the jail, with more coming each year. The Sheriff is required by law to accept every prisoner brought to the jail by at least 21 other law enforcement agencies besides the Sheriff's Department itself; he cannot second-guess their decision to arrest. Each of these 22 agencies is required to enforce all of the laws adopted by the Legislature. They cannot use jail crowding as an excuse to ignore the statutes prohibiting such misdemeanor offenses as driving while intoxicated, spousal abuse, burglary of a motor vehicle, or theft up to \$1500. The magistrates who set bail are specifically prohibited by the Texas Commission on Judicial Conduct from basing their decisions on jail population (nonetheless, they release almost twelve defendants for every one detained). There is a certain irreducible amount of time required—even when the defendant is in jail—to obtain an indictment, for defense and prosecution to prepare for a fair trial, and for court officers to research pre-sentence reports. Some crimes, both felonies and misdemeanors, deserve punishment with a jail sentence, even in a county like ours that has been a leader in the use of community corrections alternatives. At any given time, many of the inmates in our county jail are actually state prisoners, convicted felons awaiting transportation to the penitentiary or a parole violation hearing. Others are in jail for failure to pay child support. These are inescapable and uncontrollable facts.

**Q: How are you handling the large jail population now?**

A: The overflow has been handled through the use of a 96-bed temporary addition (four 24-bed pods) in the basement garage, and rented space in the Corrections Corporation of America (CCA) facility in Taylor.

**Q: Can't you just continue doing that in the future?**

A: No, for at least five reasons: (1) Notwithstanding these measures, the existing jail has frequently exceeded its legal capacity and staffing level, bringing repeated warnings from the Texas Jail Standards Commission. (2) Due to state-mandated classification and separation policies (e.g., men

## Q &amp; A

and women must be segregated, as must youthful offenders and hardened criminals), no jail can ever legally fill all its beds. Constant amendment of the state standards is resulting in increased shrinkage of our usable space. (3) Use of the three-year-old temporary addition requires annual approval by the Commission, based on proof of progress towards a permanent replacement—it cannot be used much longer. (4) Williamson County has allocated \$1,278,000 for payments to CCA in 1999–2000, and this is projected to exceed \$2 million in future years. The first 100 beds in the CCA facility are relatively cheap (in consideration of other services provided to the contractor by the county), but each additional bed comes at a cost of \$48.00/day. This is less than or equal to the going rate for rented space in other Texas public and private jails, but is still about \$7.00 more than the actual cost of housing a prisoner in our own jail. In other words, every 100 inmates that the county boards elsewhere cost taxpayers \$255,000 per year in extra costs. (5) Rented space at CCA or elsewhere is only appropriate for persons held after conviction. Pretrial detainees require frequent transport to and from court and need to be kept in Georgetown. In addition, the Taylor facility cannot accommodate more than approximately 200 Williamson County prisoners, a number that has been approached occasionally in the past year. Additional prisoners would require transport to and from an even more distant facility... if the space were available at any price.

**Q: How many jail beds are needed, and who says they are necessary?**

A: Studies by the Sheriff's Department, the Jail Standards Commission, the Texas Criminal Justice Policy Council, and the County Community Supervision and Corrections (Adult Probation) Department have all reached similar conclusions. None of these agencies wants a bigger jail, but they have all determined that it will be necessary to increase total capacity to 1100 jail beds by 2010. The Commission has recommended a 1400-bed facility with phased construction. Because it takes about two years to design and build a jail, each year of delay would require an additional 100–200 beds to meet 10-year requirements and would require additional per-bed construction costs, due to inflation. Current estimates are that the necessary jail expansion will cost \$32 million.

**Q: What could happen if the jail is not expanded?**

A: What could—and probably would—happen is for the Jail Standards Commission to issue a remedial order requiring Williamson County to transfer enough prisoners out of its jail to bring itself back into compliance with state law. Alternatively, the Commission could shut down the non-complying facility entirely and require us to move *all* our prisoners elsewhere. County taxpayers would be required to pay the cost of transportation and maintenance for all these transferred prisoners at whatever price the receiving institution chose to charge us. A population of 600 inmates kept elsewhere for \$50/day would cost about \$11,000,000.00/year—over \$2 million more than keeping them in our own jail (without even considering transportation costs). The Commission is currently holding off any enforcement action while the county is making progress towards a long-term solution. If progress falters for any reason, sanctions could—and would—swiftly follow. In addition, the county would face the cost of enormously increased litigation by prisoners and advocacy groups if they perceive that we are not moving with all possible speed.

**Q: Why do you claim an expansion of the courts building is necessary?**

A: You be the judge—when the existing building was constructed, Williamson County had only recently acquired its fourth trial court. There are now seven active judges, a child support master, retired and visiting judges, and a general jury pool all sharing the facility. The last decade has seen an explosive growth in civil and family law cases, and changes in the law have made each of these a more complex and time-consuming matter than in 1990. The District and County Clerks' offices must store far more paperwork and require more staff to handle those documents. The District and County Attorneys' offices must handle the increase in criminal, juvenile, and family law cases

reflected by the increases in juvenile detention and jail population. They, too, must house files for all these cases and the lawyers and support staff required to process them. On heavy court dates, the crowds in the building approach fire code limits. Efficiency is already suffering due to overcrowding, and there is absolutely no room in the existing facility for expansion.

**Q: What about future needs?**

A: Current projections indicate that at least two more active courts will be required by 2010, and as many as seven more beyond that by 2020. These courts will need space for their judges, clerks, files, prosecutors, and support staff. The county is legally required to provide this. Because of federal overtime restrictions, holding court on nights or weekends would require doubling the staff at a prohibitive cost. The proposed addition to the courts building, at an approximate cost of \$8 million, would allow meeting needs for at least ten years (barring unforeseen county growth). It would be foolish to expand the jail and juvenile system without eliminating the potential bottleneck in the court system.

**Q: Even assuming that the new facilities are needed, why not hold a bond election, rather than issuing certificates of obligation (COs)?**

A: There are two reasons: delay and cost. COs can be issued today, while bonds could not be issued until November. As explained above, the juvenile and jail facilities are already facing enforcement action due to overcrowding. Even if the authorities could be persuaded to await the outcome of an election, there would be substantial additional expenses.

**Q: How much expense?**

A: Approximately \$300,000 extra to meet needs for a shorter period of time, or \$2.7 million extra to meet needs for the original 10 years. There would be an initial expense of \$75,000 for holding the election, not counting publicity expenses. If one assumes that construction costs are inflating at only 3% per year, a six-month delay on a \$60 million project represents \$900,000 less building. The buildings we could afford for the original price would only last about 9 years. To accommodate a 5% annual growth rate, a six-month delay would cost \$2.4 million extra for buildings with the original 10-year life. Because interest rates are rising, the projected increase of 25 basis points (0.25%) in the next six months would cost \$225,000 in additional debt service over the life of a \$60 million loan. If the juvenile facility is built now with COs and the other two projects with bonds, the two smaller issues would cost an extra \$84,000 in issuance costs and \$137,000 in debt service. According to our financial advisors, a bond election would also create uncertainty on the part of the financial authorities who rate our credit and determine our interest rate. Higher rates translate into much more debt service.

**Q: Shouldn't the people get to decide whether to spend \$60 million of their own money?**

A: Realistically, the people of our county and their elected officials have no choice. A bond election would be a totally illusory exercise in mock democracy. The State of Texas has mandated that we build these facilities. Regardless of the outcome of a bond election, the Commissioners Court of Williamson County has to correct the existing problems. They, the other elected officials, and the numerous outside parties who have studied the problem are convinced that this plan is the most cost-effective way to solve them. In a republican form of government, the people get their say in public decisions by electing men and women whose judgment they trust.

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First Southwest Company Dan Wegmiller advised 8 bids by a variety of firms were received by 3 o'clock p.m. today on \$60M Certificate of Obligation issue. The low bidder was Lehman Brothers/Morgan Stanley at 5.9472% interest rate for 20 years.

Judge Doerfler emphasized the amount of the Certificates of Obligation is **not to exceed \$60M** and expressed his appreciation for the interest of all in attendance.

Moved: Judge Doerfler

Seconded: Commissioner Boatright

Motion: To approve "Order Authorizing the Issuance of \$60,000,000. Williamson County, Texas Combination Tax and Revenue Certificates of Obligation, Series 2000A Levying an Ad Valorem Tax and Pledging Certain Revenues in Support of the Certificates; Approving a Paying Agent/Registrar Agreement; and Authorizing Other Matters Related to the Certificates".

Vote: Motion carried 3 – 2 with Commissioners Heiligenstein and Hays voting against the motion.

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**COMMISSIONERS COURT ADJOURNED AT 4 O'CLOCK P.M. ON TUESDAY, MAY 16, 2000.**

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**ORDER AUTHORIZING THE ISSUANCE OF WILLIAMSON COUNTY, TEXAS  
COMBINATION TAX AND REVENUE CERTIFICATES OF OBLIGATION, SERIES  
2000A LEVYING AN AD VALOREM TAX AND PLEDGING CERTAIN REVENUES IN  
SUPPORT OF THE CERTIFICATES; APPROVING A PAYING AGENT/REGISTRAR  
AGREEMENT; AND AUTHORIZING OTHER MATTERS RELATED TO THE  
CERTIFICATES**

THE STATE OF TEXAS

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COUNTY OF WILLIAMSON

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**DRAFT**

**WHEREAS**, the Commissioners Court of Williamson County, Texas (the "County") deems it advisable to issue Certificates of Obligation in the aggregate principal amount not to exceed \$60,000,000 for the purpose of paying contractual obligations incurred or to be incurred for: (1) constructing, improving and equipping the Juvenile Justice Center to be located on a portion of the 179 acre tract including constructing related infrastructure such as utilities and roads, (2) reimbursing acquisition costs for 179 acre tract, (3) constructing and equipping expansion of existing County Jail, Criminal Justice Center and Sheriff's Department facilities including constructing related infrastructure such as utilities, roads and parking garage and (4) the payment of professional services for legal, fiscal and engineering fees in connection herewith including the payment of the costs of issuance (the "Contractual Obligations") would be beneficial to the inhabitants of the County and are needed to perform essential County functions.

**WHEREAS**, the Certificates hereinafter authorized and designated are to be issued and delivered for cash pursuant to Subchapter C of Chapter 271, Texas Local Government Code, as amended and Section 364.051 Texas Health and Safety Code; and

**WHEREAS**, on April 18, 2000 the Commissioners Court passed a resolution authorizing and directing the giving of notice of intention to issue the Certificates; and

**WHEREAS**, the notice was published on April 23, 2000 and April 30, 2000 in the *Williamson County Sun*, a newspaper of general circulation in the County and a "newspaper" as defined in Section 2051.044, Government Code; and

**WHEREAS**, the County received no petition from the qualified electors of the County protesting the issuance of the Certificates; and

**WHEREAS**, it is considered to be in the best interest of the County that the interest bearing Certificates be issued.

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

**Section 1. RECITALS, AMOUNT AND PURPOSE OF THE CERTIFICATES.** The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and

effect as if set forth in this section. The Certificates are hereby authorized to be issued and delivered in the aggregate principal amount not to exceed \$60,000,000 for the purpose of paying contractual obligations incurred or to be incurred for: (1) constructing, improving and equipping the Juvenile Justice Center to be located on a portion of the 179 acre tract including constructing related infrastructure such as utilities and roads, (2) reimbursing acquisition costs for 179 acre tract, (3) constructing and equipping expansion of existing County Jail, Criminal Justice Center and Sheriff's Department facilities including constructing related infrastructure such as utilities, roads and parking garage and (4) the payment of professional services for legal, fiscal and engineering fees in connection herewith including the payment of the costs of issuance.

**Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF CERTIFICATES.** Each certificate issued pursuant to this Order shall be designated: "WILLIAMSON COUNTY, TEXAS COMBINATION TAX AND REVENUE CERTIFICATE OF OBLIGATION, SERIES 2000A," and initially there shall be issued, sold and delivered hereunder fully registered certificates, without interest coupons, dated May 1, 2000, in the respective denominations and principal amounts hereinafter stated, numbered consecutively from R-1 upward (except the initial Certificates delivered to the Attorney General of the State of Texas which shall be numbered T-1 upward), payable to the respective initial Registered Owners thereof (as designated in Section 15 hereof), or to the registered assignee or assignees of said Certificates or any portion or portions thereof (in each case, the "Registered Owner"), and said Certificates shall mature and be payable on August 15 in each of the years and in the principal amounts, respectively, as set forth in the following schedules:

<u>YEAR</u>	<u>AMOUNT</u>	<u>YEAR</u>	<u>AMOUNT</u>
2002	\$ 600,000	2012	\$3,600,000
2003	600,000	2013	3,700,000
2004	600,000	2014	3,900,000
2005	700,000	2015	4,200,000
2006	700,000	2016	4,500,000
2007	700,000	2017	4,700,000
2008	4,100,000	2018	5,000,000
2009	4,400,000	2019	5,300,000
2010	3,700,000	2020	5,700,000
2011	3,300,000		

The term "Certificates" as used in this Order shall mean and include collectively the certificates initially issued and delivered pursuant to this Order and all substitute certificates exchanged therefor, as well as all other substitute certificates and replacement certificates issued pursuant hereto, and the term "Certificate" shall mean any of the Certificates.

**Section 3. INTEREST.** The Certificates scheduled to mature during the years, respectively, set forth below shall bear interest from the dates specified in the Form of Certificate set forth in this Order to their respective dates of maturity or redemption prior to maturity at the following rates per annum:

<u>YEAR</u>	<u>RATE</u>	<u>YEAR</u>	<u>RATE</u>
2002		2012	
2003		2013	
2004		2014	
2005		2015	
2006		2016	
2007		2017	
2008		2018	
2009		2019	
2010		2020	
2011			

Interest shall be payable in the manner provided and on the dates stated in the Form of Certificate set forth in this Order.

**Section 4. CHARACTERISTICS OF THE CERTIFICATES.** Registration, Transfer, Conversion and Exchange; Authentication. (a) The County shall keep or cause to be kept at Chase Bank of Texas, National Association, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Certificates (the "Registration Books"), and the County hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the County and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The County shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The County shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Certificate or Certificates. Registration of assignments, transfers, conversions and exchanges of Certificates shall be made in the manner provided and with the effect stated in the Form of Certificate set forth in this Order. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate.

Except as provided in Section 4(c) of this Order, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, date and manually sign said Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Certificates and Certificates surrendered for conversion and exchange. No additional Orders, orders or resolutions need be passed or adopted by the Commissioners Court of the County or any other body or person so as to accomplish the foregoing conversion and exchange of any Certificate or portion thereof, and the

Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Section 6 thereof, the duty of conversion and exchange of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Certificate, the converted and exchanged Certificate shall be valid, incontestable and enforceable in the same manner and with the same effect as the Certificates which initially were issued and delivered pursuant to this Order, approved by the Attorney General and registered by the Comptroller of Public Accounts.

(b) Payment of Certificates and Interest. The County hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the County and the Paying Agent/Registrar with respect to the Certificates, and of all conversions and exchanges of Certificates, and all replacements of Certificates, as provided in this Order. However, in the event of a nonpayment 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 past due interest 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 Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Certificates (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Registered Owners thereof, (ii) may be converted and exchanged for other Certificates, (iii) may be transferred and assigned, (iv) shall have the characteristics, (v) shall be signed, sealed, executed and authenticated, (vi) the principal of and interest on the Certificates shall be payable and (vii) shall be administered and the Paying Agent/Registrar and the County shall have certain duties and responsibilities with respect to the Certificates, all as provided, and in the manner and to the effect as required or indicated, in the Form of Certificate set forth in this Order. The Certificates initially issued and delivered pursuant to this Order are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Certificate issued in conversion of and exchange for any Certificate or Certificates issued under this Order the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the Form of Certificate.

(d) Substitute Paying Agent/Registrar. The County covenants with the Registered Owners of the Certificates that at all times while the Certificates are outstanding the County will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Certificates under this Order, and that the Paying Agent/Registrar will be one entity. The County reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 30 days written notice to the Paying Agent/Registrar, to be effective at such time which will not disrupt or delay payment on the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition or other method) should resign or otherwise cease to act as such, the County covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying

Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Certificates, to the new Paying Agent/Registrar designated and appointed by the County. Upon any change in the Paying Agent/Registrar, the County promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Certificates, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry-Only System. The Certificates issued in exchange for the Certificates initially issued as provided in Section 4(h) shall be issued in the form of a separate single fully registered Certificate for each of the maturities thereof registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC") and except as provided in subsection (f) hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Certificates 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 securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC participants (the "DTC Participant") or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates. 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 DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown on the Registration Books, of any notice with respect to the Certificates or (iii) the payment to any DTC Participant or any person, other than a Registered Owner, as shown on the Registration Books of any amount with respect to principal of or interest on the Certificates. Notwithstanding any other provision of this Order to the contrary, but to the extent permitted by law, the County and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Registration Books as the absolute owner of such Certificate for the purpose of payment of principal of and interest, with respect to such Certificate, for the purposes of registering transfers with respect to such Certificate, and for all other purposes of registering transfers with respect to such Certificates, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Certificates only to or upon the order of the respective Registered Owners, as shown in the Registration Books as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of principal of and interest on the Certificates to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in the Registration Books, shall receive a Certificate evidencing the obligation of the County to make payments of principal, 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 being mailed to the registered owner at the close of business on the Record Date the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the County determines to discontinue the book-entry system through DTC or a successor or DTC determines to discontinue providing its services with respect to the Certificate, the County shall either (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Certificate to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts. In such event, the Certificates shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names the Registered Owner transferring or exchanging Certificate shall designate, in accordance with the provisions of this Order.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Certificate is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Certificate and all notices with respect to such Certificate shall be made and given, respectively, in the manner provided in the Letter of Representations of the County to DTC.

(h) Initial Certificate(s). The Certificates herein authorized shall be initially issued as fully registered Certificates, being one Certificate for each maturity in the denomination of the applicable principal amount and the initial Certificate(s) shall be registered in the names of the purchaser or the designees thereof as set forth in Section 15 hereof. The initial Certificate(s) shall be the Certificates submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the purchaser as set forth in Section 15. Immediately after the delivery of the initial Certificate(s), the Paying Agent/Registrar shall cancel the initial Certificate(s) delivered hereunder and exchange therefor Certificates in the form of a separate single fully registered Certificate for each of the maturities thereof registered in the name of Cede & Co., as nominee of DTC and except as provided in Section 4(f), all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

**Section 6. FORM OF CERTIFICATES.** The form of the Certificates, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Certificates initially issued and delivered pursuant to this Order, shall be, respectively, substantially as follows, with such appropriate variations, omissions or insertions as are permitted or required by this Order.

**FORM OF CERTIFICATE**

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS WILLIAMSON COUNTY, TEXAS COMBINATION TAX AND REVENUE	PRINCIPAL AMOUNT \$ _____
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**CERTIFICATE OF OBLIGATION  
SERIES 2000A**

<b>INTEREST RATE</b>	<b>DATE OF CERTIFICATES</b>	<b>MATURITY DATE</b>	<b>CUSIP NO.</b>
--------------------------	---------------------------------	--------------------------	------------------

May 1, 2000

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

**ON THE MATURITY DATE** specified above, Williamson County, Texas (the "County"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from the Date of Certificates set forth above, on February 15, 2001 and semiannually on each August 15 and February 15 thereafter to the maturity date specified above, at the interest rate per annum specified above; except that if this Certificate is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Certificate or Certificates, if any, for which this Certificate is being exchanged or converted from is due but has not been paid, then this Certificate shall bear interest from the date to which such interest has been paid in full.

**THE PRINCIPAL OF AND INTEREST ON** this Certificate are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Certificate shall be paid to the Registered Owner hereof upon presentation and surrender of this Certificate at maturity, or upon the date fixed for its redemption prior to maturity, at Chase Bank of Texas, National Association, which is the "Paying Agent/Registrar" for this Certificate at their office in Dallas, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Certificate shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the County required by the order authorizing the issuance of this Certificate (the "Certificate Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the last day of the month preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of

a non-payment of interest on a scheduled payment date, and for 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 (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Certificate appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

**ANY ACCRUED INTEREST** due at maturity or upon the redemption of this Certificate prior to maturity as provided herein shall be paid to the Registered Owner upon presentation and surrender of this Certificate for redemption and payment at the Designated Payment/Transfer Office of the Paying Agent/Registrar. The County covenants with the Registered Owner of this Certificate that on or before each principal payment date, interest payment date and accrued interest payment date for this Certificate it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Certificate Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Certificates, when due.

**IF THE DATE** for the payment of the principal of or interest on this Certificate shall be a Saturday, Sunday, a legal holiday or a day on which banking institutions in the County where the principal corporate trust office of 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 Saturday, Sunday, legal holiday or day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

**THIS CERTIFICATE** is one of a Series of Certificates dated May 1, 2000, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount not to exceed \$60,000,000 for the purpose of paying contractual obligations incurred or to be incurred for: (1) constructing, improving and equipping the Juvenile Justice Center to be located on a portion of the 179 acre tract including constructing related infrastructure such as utilities and roads, (2) reimbursing acquisition costs for 179 acre tract, (3) constructing and equipping expansion of existing County Jail, Criminal Justice Center and Sheriff's Department facilities including constructing related infrastructure such as utilities, roads and parking garage and (4) the payment of professional services for legal, fiscal and engineering fees in connection herewith including the payment of the costs of issuance.

**ON AUGUST 15, 2010, OR ON ANY DATE THEREAFTER**, the Certificates maturing on and after August 15, 2011 may be redeemed prior to their scheduled maturities, at the option of the County, with funds derived from any available and lawful source, at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption as a whole, or from time to time in part, and, if in part, the particular Certificates, or portions thereof, to be redeemed shall be selected and designated by the County, and if less than all of a maturity is to be redeemed the Registrar shall determine by lot the Certificates, or portions thereof within such maturity to be redeemed (provided that a portion of a Certificate may be redeemed only in integral multiples of \$5,000 of principal amount).

**THE CERTIFICATES** maturing on August 15, 20\_\_\_\_ are subject to mandatory sinking fund redemption by lot prior to maturity in the following amounts, on the following dates and at a price of par plus accrued interest to the redemption date.

**Certificates Maturing August 15, 20\_\_\_\_**

<b><u>Redemption Date</u></b>	<b><u>Principal Amount</u></b>
August 15, 20____	\$
August 15, 20____	

**THE PRINCIPAL AMOUNT** of the Certificates required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the City by the principal amount of any Certificates of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the City at a price not exceeding the principal amount of such Certificates plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the City with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Certificates plus accrued interest to the date of purchase thereof, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory sinking fund redemption requirement.

**AT LEAST 30** calendar days prior to the date fixed for any redemption of Certificates or portions thereof prior to maturity a written notice of such redemption shall be sent by the Registrar by United States mail, first-class postage prepaid, to the Registered Owner of each Certificate to be redeemed at its address as it appeared on the Register on the 45th calendar day prior to such redemption date at least 30 days prior to the date fixed for redemption and to major securities depositories and bond information services. By the date fixed for any such redemption due provision shall be made with the Registrar for the payment of the required redemption price for the Certificates or portions for which such payment is made, all as provided above. The Certificates or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the Registered Owner to receive the redemption price from the Registrar out of the funds provided for such payment. If a portion of any Certificate shall be redeemed, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in any authorized denomination or denominations, at the written request of the Registered Owner, and in aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Registered Owner upon the surrender thereof for cancellation, at the expense of the County, all as provided in the Certificate Order.

**ALL CERTIFICATES OF THIS SERIES** are issuable solely as fully registered certificates, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Certificate Order, this Certificate may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate principal amount of fully registered certificates, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having the same denomination or denominations

in any integral multiple of \$5,000 as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Certificate to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Certificate Order. Among other requirements for such assignment and transfer, this Certificate must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Certificate or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Certificate or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Certificate may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Certificate or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Certificate or portion thereof will be paid by the County. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Certificate or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, such limitation of transfer shall not be applicable to an exchange by the Registered Owner of the unredeemed balance of the Certificate.

**IN THE EVENT** any Paying Agent/Registrar for the Certificates is changed by the County, resigns, or otherwise ceases to act as such, the County has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Certificates.

**IT IS HEREBY** certified, recited and covenanted that this Certificate has been duly and validly authorized, issued and delivered; that all acts, conditions and things required or proper to be performed, exist and be done precedent to or in the authorization, issuance and delivery of this Certificate have been performed, existed and been done in accordance with law; that this Certificate is a general obligation of said County, issued on the full faith and credit thereof; and that annual ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Certificate, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in said County, and have been pledged for such payment, within the limit prescribed by law, and that this Certificate is additionally secured by and payable from a limited pledge of not to exceed \$1,000 in amount of surplus revenues derived from the operation of the County's owned and operated landfill.

**BY BECOMING** the Registered Owner of this Certificate, the Registered Owner thereby acknowledges all of the terms and provisions of the Certificate Order, agrees to be bound by such terms and provisions, acknowledges that the Certificate Order is duly recorded and available for inspection in the official minutes and records of the governing body of the County, and agrees that the terms and provisions of this Certificate and the Certificate Order constitute a contract between each Registered Owner hereof and the County.

IN WITNESS WHEREOF, the County has caused this Certificate to be signed with the manual or facsimile signature of the County Judge of the County and countersigned with the manual or facsimile signature of the County Clerk and the County Treasurer of said County, and has caused the official seal of the County to be duly impressed, or placed in facsimile, on this Certificate.

Nancy E. Rister  
County Clerk

John C. Daehler 5-16-00  
County Judge

William R. Wood  
County Treasurer

(SEAL)

**FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**

**PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE**

(To be executed if this Certificate is not accompanied by an  
executed Registration Certificate of the Comptroller  
of Public Accounts of the State of Texas)

It is hereby certified that this Certificate has been issued under the provisions of the Certificate Order described in the text of this Certificate; and that this Certificate has been issued in conversion or replacement of, or in exchange for, a certificate, certificates or a portion of a certificate or certificates of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated:

**CHASE BANK OF TEXAS,  
NATIONAL ASSOCIATION**  
Paying Agent/Registrar

By: \_\_\_\_\_  
Authorized Representative

**FORM OF ASSIGNMENT**

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

\_\_\_\_\_

Please insert Social Security or Taxpayer  
Identification Number of Transferee

\_\_\_\_\_

(Please print or typewrite name and address,  
including zip code, of Transferee)

\_\_\_\_\_

the within Certificate and all rights thereunder, and hereby irrevocably constitutes and appoints  
\_\_\_\_\_, attorney, to register the transfer of the within  
Certificate on the books kept for registration thereof, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by  
a member firm of the New York Stock  
Exchange or a commercial bank or trust  
company.

NOTICE: The signature above must  
correspond with the name of the Registered  
Owner as it appears upon the front of this  
Certificate in every particular, without  
alteration or enlargement or any change  
whatsoever.

**FORM OF REGISTRATION CERTIFICATE OF  
THE COMPTROLLER OF PUBLIC ACCOUNTS**

**COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO.**

I hereby certify that this Certificate has been examined, certified as to validity and approved  
by the Attorney General of the State of Texas, and that this Certificate has been registered by the  
Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this \_\_\_\_\_.

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Comptroller of Public Accounts  
of the State of Texas

(COMPTROLLER'S SEAL)

**Section 7. INTEREST AND SINKING FUND, PROJECT FUND, INVESTMENTS AND SECURITY FOR FUNDS.** (a) Interest and Sinking Fund. A special "Interest and Sinking Fund" is hereby created and shall be established and maintained by the County at an official depository bank of said County. Said Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of said County and shall be used only for paying the interest on and principal of said Certificates. All ad valorem taxes levied and collected for and on account of said Certificates shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Certificates are outstanding and unpaid, the governing body of said County shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on said Certificates as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Certificates as such principal matures (but never less than 2% of the original amount of said Certificates as a sinking fund each year); and said tax shall be based on the latest approved tax rolls of said County, with full allowances being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in said County, for each year while any of said Certificates are outstanding and unpaid, and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Certificates, as such interest comes due and such principal matures, are hereby pledged for such payment, within the limit prescribed by law. Accrued interest on the Certificates shall be deposited in the Interest and Sinking Fund.

(b) Project Fund. The Series 2000 Project Fund is hereby created and shall be established and maintained by the County at an official depository bank of the County. Proceeds from the sale of the Certificates, excluding the premium and accrued interest, shall be deposited in the Project Fund.

(c) Investment of Funds. The County hereby covenants that the proceeds of the sale of the Certificates will be used as soon as practicable for the purposes for which the Certificates are issued. Obligations purchased as an investment of money in any fund shall be deemed to be a part of such fund. Any money in any fund created by this Order may be invested as permitted by the Public Funds Investment Act, as amended.

(d) Security for Funds. All funds created by this Order shall be secured in the manner and to the fullest extent required by law for the security of funds of the County.

(e) Maintenance of Funds. Any funds created pursuant to this Order may be created as separate funds or accounts or as subaccounts of the County's General Fund held by the County's depository, and, as such, not held in separate bank accounts, such treatment shall not constitute a

commingling of the monies in such funds or of such funds and the County shall keep full and complete records indicating the monies and investments credited to each such fund.

**Section 8. PLEDGE OF SURPLUS REVENUES.** The Certificates are additionally secured by and shall be payable from and secured by the revenues of the County's owned and operated landfill remaining after payment of all maintenance and operation expenses thereof, and all debt service, reserve and other requirements in connection with all of the County's revenue obligations (now or hereafter outstanding) which are payable from all or part of the net revenues of the County's owned and operated landfill, in an amount not to exceed \$1,000, constituting "Surplus Revenues."

**Section 9. DEFEASANCE OF CERTIFICATES.** (a) Any Certificate and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Certificate") within the meaning of this Order, except to the extent provided in subsection (d) of this Section 9, when payment of the principal of such Certificate, plus interest thereon to the due date (whether such due date be by reason of maturity, upon redemption, or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof (including the giving of any required notice of redemption) or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (1) lawful money of the United States of America sufficient to make such payment, (2) Defeasance Securities, certified by an independent public accounting firm of national reputation to mature as to principal and interest in such amounts and at such times as will ensure the availability, without reinvestment, of sufficient money to provide for such payment and when proper arrangements have been made by the County with the Paying Agent/Registrar for the payment of its services until all Defeased Certificates shall have become due and payable or (3) any combination of (1) and (2). At such time as a Certificate shall be deemed to be a Defeased Certificate hereunder, as aforesaid, such Certificate and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) The deposit under clause (ii) of subsection (a) shall be deemed a payment of a Certificate as aforesaid when proper notice of redemption of such Certificates shall have been given, in accordance with this Order. Any money so deposited with a paying agent as provided in this Section may at the discretion of the Board of Directors also be invested in Defeasance Securities, maturing in the amounts and at the times as hereinbefore set forth, and all income from all Defeasance Securities in possession of a paying agent pursuant to this Section which is not required for the payment of such Certificate and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be turned over to the Board of Directors.

(c) Notwithstanding any provision of any other Section of this Order which may be contrary to the provisions of this Section, all money or Defeasance Securities set aside and held in trust pursuant to the provisions of this Section for the payment of principal of the Certificate and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Certificates and premium, if any, and interest thereon, with respect to which such money or Defeasance Securities have been so set aside in trust.

(d) Notwithstanding anything elsewhere in this Order contained, if money or Defeasance Securities have been deposited or set aside with a paying agent pursuant to this Section for the

payment of Certificates and such Certificates shall not have in fact been actually paid in full, no amendment of the provisions of this Section shall be made without the consent of the registered owner of each Certificate affected thereby.

(e) Notwithstanding the provisions of subsection (a) immediately above, to the extent that, upon the defeasance of any Defeased Certificate to be paid at its maturity, the County retains the right under Texas law to later call that Defeased Certificate for redemption in accordance with the provisions of the Order authorizing its issuance, the County may call such Defeased Certificate for redemption upon complying with the provisions of Texas law and upon the satisfaction of the provisions of subsection (a) immediately above with respect to such Defeased Certificate as though it was being defeased at the time of the exercise of the option to redeem the Defeased Certificate and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Certificate.

As used in this section, Defeased Securities means (i) Federal Securities, (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Commissioner's Court adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent, and (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Commissioner's Court adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of the Certificates, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent. "Federal Securities" as used herein means direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (including Interest Strips of the Resolution Funding Corporation).

**Section 10. DAMAGED, MUTILATED, LOST, STOLEN OR DESTROYED CERTIFICATES.** (a) Replacement Certificates. In the event any outstanding Certificate is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new certificate of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Certificate, in replacement for such Certificate in the manner hereinafter provided.

(b) Application for Replacement Certificates. Application for replacement of damaged, mutilated, lost, stolen or destroyed Certificates shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Certificate, the Registered Owner applying for a replacement certificate shall furnish to the County and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft or destruction of a Certificate, the Registered Owner shall furnish to the County and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft or destruction of such Certificate, as the case may be. In every case of damage or mutilation of a Certificate, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Certificate so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this section, in the event any such Certificate shall have matured, and no default has occurred which is then continuing in the payment of the principal of, redemption premium, if any, or interest on the Certificate, the County may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Certificate) instead of issuing a replacement Certificate, provided security or indemnity is furnished as above provided in this section.

(d) Charge for Issuing Replacement Certificates. Prior to the issuance of any replacement certificate, the Paying Agent/Registrar shall charge the Registered Owner of such Certificate with all legal, printing and other expenses in connection therewith. Every replacement certificate issued pursuant to the provisions of this section by virtue of the fact that any Certificate is lost, stolen or destroyed shall constitute a contractual obligation of the County whether or not the lost, stolen or destroyed Certificate shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Certificates duly issued under this Order.

(e) Authority for Issuing Replacement Certificates. In accordance with Section 6 of Texas Government Code, Chapter 1201, this Section 10 of this Order shall constitute authority for the issuance of any such replacement certificate without necessity of further action by the governing body of the County or any other body or person, and the duty of the replacement of such certificates is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Certificates in the form and manner and with the effect, as provided in Section 5(a) of this Order for Certificates issued in conversion and exchange for other Certificates.

**Section 11. CUSTODY, APPROVAL AND REGISTRATION OF CERTIFICATES; CERTIFICATE COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED.** The Mayor of the County is hereby authorized to have control of the Certificates initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Certificates pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Certificates said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Certificates, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the County's Bond Counsel and the assigned CUSIP numbers may, at the option of the County, be printed on the Certificates issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Certificates. In addition, if bond insurance is obtained, the Certificates may bear an appropriate legend as provided by the insurer.

**Section 12. COVENANTS REGARDING TAX EXEMPTION.** The County covenants to refrain from any action which would adversely affect, or to take such action as to ensure, the treatment of the Certificates as obligations described in Section 103 of the Internal Revenue Code of 1986, as amended (the "Code") the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the County covenants as follows:

(a) to take any action to assure that no more than 10 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in Section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the County, with respect to such private business use, do not, under the terms of this Order, or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Certificates, in contravention of Section 141(b)(2) of the Code;

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Certificates or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of Section 141(b)(3) of the Code, to the governmental use;

(c) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Certificates (less amounts deposited into a reserve fund, if any) is, directly or indirectly, used to finance loans to persons, other than state or local governmental units, in contravention of Section 141(c) of the Code;

(d) to refrain from taking any action which would otherwise result in the Certificates being treated as "private activity bonds" within the meaning of Section 141(b) of the Code;

(e) to refrain from taking any action that would result in the Certificates being "federally guaranteed" within the meaning of Section 149(b) of the Code;

(f) to refrain from using any portion of the proceeds of the Certificates, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in Section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Certificates, other than investment property acquired with --

(1) proceeds of the Certificates invested for a reasonable temporary period of three years or less or, in the case of a refunding bond, for a period of 30 days or less until such proceeds are needed for the purpose for which the Certificates are issued,

(2) amounts invested in a bona fide debt service fund, within the meaning of Section 1.148-1(b) of the Treasury Regulations, and

(3) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Certificates;

(g) to otherwise restrict the use of the proceeds of the Certificates or amounts treated as proceeds of the Certificates, as may be necessary, so that the Certificates do not otherwise contravene the requirements of Section 148 of the Code (relating to arbitrage), Section 149(g) of the Code (relating to hedge bonds) and, to the extent applicable, Section 149(d) of the Code (relating to advance refundings); and

(h) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Certificates) an amount that is at least equal to 90 percent of the "Excess Earnings," within the meaning of Section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Certificates have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under Section 148(f) of the Code.

In order to facilitate compliance with the above covenant (h), a "Rebate Fund" is hereby established by the County for the sole benefit of the United States of America, and such Rebate Fund shall not be subject to the claim of any other person, including without limitation the registered owners of the Certificates. The Rebate Fund is established for the additional purpose of compliance with Section 148 of the Code.

It is the understanding of the County that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Certificates, the County will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally-recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Certificates under Section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Certificates, the County agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally-recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Certificates under Section 103 of the Code. In furtherance of the foregoing, the County Judge may execute any certificates or other reports required by the Code and make such elections, on behalf of the County, which may be permitted by the Code as are consistent with the purpose for the issuance of the Certificates.

**Section 13. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECT.** The County covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Order (the "Project") on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made or (2) the Project is completed. The foregoing notwithstanding, the County shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Certificates or (2) the date the Certificates are retired, unless the County obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the Certificates. For purposes hereof, the County shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

**Section 14. DISPOSITION OF PROJECT.** The County covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the County of cash or other compensation, unless the County obtains an opinion of nationally-recognized bond counsel that such sale or other disposition will not adversely affect the tax-exempt status of the Certificates. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the County shall not be obligated

to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

**Section 15. SALE OF CERTIFICATES.** The Certificates are hereby initially sold and shall be delivered to \_\_\_\_\_ at a price of \$ \_\_\_\_\_ pursuant to the taking of competitive bids. It is hereby officially found, determined and disclosed that the terms of the sale are the most advantageous reasonably obtainable. The Certificates shall initially be registered in the name of \_\_\_\_\_. It is further officially found, determined and declared that the Certificates have been sold pursuant to an Official Statement dated May 16, 2000, prepared and distributed in connection with the sale of the Certificates. Said Official Statement, and any addenda, supplement or amendment thereto have been and are hereby approved by the governing body of the County, and its use in the offer and sale of the Certificates is hereby approved. It is further officially found, determined and declared that the statements and representations contained in said Official Statement are true and correct in all material respects, to the best knowledge and belief of the governing body of the County.

**Section 16. REMEDIES IN EVENT OF DEFAULT.** In addition to all of the rights and remedies provided by the laws of the State of Texas, the County covenants and agrees that in the event of default in payment of principal or interest on any of the Certificates when due, or defaults in the observance or performance of any other of the contracts, covenants, conditions or obligations set forth in this Order or in the Certificates, the following remedies shall be available:

- (a) the Registered Owners shall be entitled to a writ of mandamus issued by a court of competent jurisdiction compelling and requiring the County and the officials thereof to observe and perform the contracts, covenants, obligations or conditions prescribed in this Order; and
- (b) any delay or omission to exercise any right or power accruing upon any default shall not impair any such right or power nor 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.

**Section 17. INTEREST EARNINGS ON CERTIFICATE PROCEEDS.** Interest earnings derived from the investment of proceeds from the sale of the Certificates shall be used along with other certificate proceeds for the purpose for which the Certificates are issued set forth in Section 1 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on certificate proceeds which are required to be rebated to the United States of America pursuant to Section 12 hereof in order to prevent the Certificates from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this section.

**Section 18. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT.** Attached hereto as Exhibit A is a substantially final form of Paying Agent/Registrar Agreement with an attached Letter of Representations. The County Judge is hereby authorized to amend, complete or modify such agreement and the Letter of Representations as necessary and are further authorized to execute such agreement and the County Clerk is hereby authorized to attest such agreement.

**Section 19. CONTINUING DISCLOSURE UNDERTAKING.** (a) Annual Reports. The County shall provide annually to any SID, within six months after the end of each fiscal year ending in or after 2000, financial information and operating data with respect to the County of the general type described in Exhibit B hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit B 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 Issuer shall provide unaudited financial statements by the required time, and will provide audited financial statements for the applicable fiscal year to any SID, when and if the audit report on such statements become available.

If the County changes its fiscal year, it will notify 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 paragraph (a).

The financial information and operating data to be provided pursuant to this paragraph (a) may be set forth in full 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 any SID or filed with the SEC.

(b) Material Event Notices. The County shall notify any SID and the MSRB, in a timely manner, of any of the following events with respect to the Certificates, 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 Certificates;
- G. Modifications to rights of holders of the Certificates;
- H. Certificate calls;
- I. Defeasances;
- J. Release, substitution or sale of property securing repayment of the Certificates; and

K. Rating changes.

The County shall notify any SID and the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with paragraph (a) of this Section 19 by the time required by such paragraph.

(c) 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 Certificates within the meaning of the Rule, except that the County in any event will give notice of any deposit made in accordance with Section 9 of this Order that causes Certificates no longer to be outstanding.

The provisions of this section are for the sole benefit of the Holders and beneficial owners of the Certificates, 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 Certificates at any future date.

UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 Certificates in the primary offering of the Certificates in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering 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 Certificates consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of

the Holders and beneficial owners of the Certificates. 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 paragraph (a) of this section an explanation, in narrative form, of the reason 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 amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Certificates in the primary offering of the Certificates.

(d) 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.

**Section 18. SEVERABILITY.** The provisions of this Order are severable; and in case any one or more of the provisions of this Order or the application thereof to any person or circumstance should be held to be invalid, unconstitutional or ineffective as to any person or circumstance, the remainder of this Order nevertheless shall be valid, and the application of any such invalid provision to persons or circumstances other than those as to which it is held invalid shall not be affected thereby.

**EXHIBIT A**

**PAYING AGENT/REGISTRAR AGREEMENT**

WMSON/CO2000A: ORDER.DR1

A-1

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**EXHIBIT B****DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 19 of this Order.

**Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the County to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

- |      |            |   |   |
|------|------------|---|---|
| (1)  | Appendix B | - | EXCERPTS FROM ANNUAL FINANCIAL REPORT;                  |
| (2)  | Table 1    | - | Valuation, Exemptions and General Obligation Debt;      |
| (3)  | Table 2    | - | Taxable Assessed Valuations by Category;                |
| (4)  | Table 3    | - | Valuation and General Obligation Debt History;          |
| (5)  | Table 4    | - | Tax Rate, Levy and Collection History;                  |
| (6)  | Table 5    | - | Ten Largest Taxpayers;                                  |
| (7)  | Table 8    | - | Pro-Forma General Obligation Debt Service Requirements; |
| (8)  | Table 10   | - | Authorized But Unissued General Obligation Bonds;       |
| (9)  | Table 11   | - | General Fund Revenues and Expenditure History; and      |
| (10) | Table 12   | - | Current Investments.                                    |

**Accounting Principles**

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.

**AGENDA ITEM 32**

Consider approving lease renewal for Department of Public Safety office at 807 East. 7<sup>th</sup>, Street in Georgetown.

Moved: **Commissioner Hays**

Seconded: **Commissioner Boatright**

Motion: To approve lease renewal for Department of Public Safety office at 807 East 7<sup>th</sup> Street in Georgetown at \$2,433.37 per month for 36 months.

Vote: Motion carried 5 – 0

< Clerk copy here >



**General Services Commission**

1711 San Jacinto - P.O. Box 13047

Austin, Texas 78711-3047

Web Site: [www.gsc.state.tx.us](http://www.gsc.state.tx.us)

(512) 463-3035

**CHAIRMAN**  
Gene Shull  
**COMMISSIONERS**  
Tomas Cardenas, Jr., P.E.  
Jim Cox  
Dionicio Vidal Flores, P.E.  
Fred N. Moses  
Barbara Rusling

February 16, 2000

**NOTICE OF ACCEPTANCE  
NEGOTIATED CONTRACT**

Williamson County  
Attn: The Honorable John C. Doerfler  
County Judge  
Williamson County Courthouse  
Georgetown, Texas 78626

Re: Lease 405-1688-E7E-GEORGETOWN

Term: 9/1/00 through 8/31/03

Building Description:

N/A

807 EAST 7<sup>TH</sup>

GEORGETOWN, WILLIAMSON, COUNTY, TEXAS 78626

Dear Judge Doerfler:

The General Services Commission, acting as Lessee for space leased by the State of Texas, expresses its appreciation for your offer of space provided by Williamson County to the Texas Department of Public Safety.

The formal contract, enclosed herewith, when signed and returned by you and received by this office, shall confirm the total terms and conditions of the contract between Williamson County and the State of Texas.

As a requirement of this contract, Lessor warrants, promises and represents that all building components, systems and services that are provided as a result of entering into this lease, whether specifically required by the lease or not, shall be Year 2000 compliant.

The terms of this contract may be changed only by written agreement between Lessee and Lessor. If you have any questions, please contact Norman Donelson at (512) 463-3326.

Respectfully,

Carlos J. Hodge  
State Lease Officer

CJH:ND:ms

Enclosures

cc: Mr. Randy Ayers, Texas Department of Public Safety

