

AGENDA ITEM 34

Consideration and action with respect to “Order Authorizing the Issuance of Williamson County, Texas Unlimited Tax Road Bonds; Approving a Paying Agent/Registrar Agreement, an Official Statement and a Bond Purchase Agreement; and Authorizing Other Matters Related to the Bonds.”

Dan Wegmiller from First Southwest, Carol Polumbo with McCall, Parkhurst & Horton, and Scott McIntyre of First Southwest Asset Management addressed the court concerning bond sales and interest rates and the current investment climate.

Moved: **Judge Doerfler**

Seconded: **Commissioner Heiligenstein**

Motion: To approve “Order Authorizing the Issuance of Williamson County, Texas Unlimited Tax Road Bonds; Approving a Paying Agent/Registrar Agreement, an Official Statement and a Bond Purchase Agreement; and Authorizing Other Matters Related to the Bonds.”

Vote: **5 - 0**

< Attachment >

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT dated as of May 15, 2002 ("Agreement"), by and between Williamson County, Texas (the "Issuer"), and JPMorgan Chase Bank, a New York banking corporation duly organized and existing under the laws of the State of New York ("Bank").

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the issuance of securities to be issued only in registered form, as to payment of principal and interest thereon in an aggregate principal amount of \$125,000,000 and titled Unlimited Tax Road Bonds, Series 2002, in an aggregate principal amount of \$7,000,000 and titled Limited Tax General Obligation Bonds, Series 2002A and in an aggregate principal amount of \$20,0000 and titled Limited Tax Notes, Series 2002B (collectively, the "Securities"); and

WHEREAS, the Securities are scheduled to be delivered to the initial purchasers thereof on or about June 27, 2002; and

WHEREAS, the Issuer has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of, premium, if any, and interest on the Securities and with respect to the registration, transfer and exchange thereof by the registered owners thereof; and

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the County and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

**ARTICLE ONE
APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR**

Section 1.01. Appointment.

The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the County the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "Orders" (hereinafter defined).

The Issuer hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of the Securities and with respect to the transfer and exchange thereof as provided herein and in the "Orders."

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The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation.

As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto.

In addition, the Issuer agrees to reimburse the Bank upon its request for all reasonable expenses, disbursements and advances incurred or made by the Bank in accordance with any of the provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

**ARTICLE TWO
DEFINITIONS**

Section 2.01. Definitions.

For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

"Acceleration Date" on any Security means the date on and after which the principal or any or all installments of interest, or both, are due and payable on any Security which has become accelerated pursuant to the terms of the Security.

"Bank Office" means the corporate trust office of the Bank as indicated herein. The Bank will notify the County in writing of any change in location of the Bank Office.

"Fiscal Year" means the fiscal year of the Issuer.

"Holder" and "Security Holder" each means the Person in whose name a Security is registered in the Security Register.

"Issuer Request" and "Issuer Order" means a written request or order signed in the name of the Issuer by the County Judge, delivered to the Bank.

"Legal Holiday" means a day on which the Bank is required or authorized to be closed.

"Orders" mean the orders of the governing body of the County pursuant to which the Securities are issued, certified by the County Clerk or any other officer of the County and delivered to the Bank.

"Person" means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government or any agency or political subdivision of a government.

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4.06 hereof and the Orders).

"Redemption Date" when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Orders.

"Responsible Officer" when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-Chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

"Security Register" means a register maintained by the Bank on behalf of the County providing for the registration and transfer of the Securities.

"Stated Maturity" means the date specified in the Orders on which the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions.

The terms "Bank," "Issuer," and "Securities" have the meanings assigned to them in the recital paragraphs of this Agreement.

The term "Paying Agent/Registrar" refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE THREE PAYING AGENT

Section 3.01. Duties of Paying Agent.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each

Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States Mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3.02. Payment Dates.

The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Orders.

**ARTICLE FOUR
REGISTRAR**

Section 4.01. Security Register - Transfers and Exchanges.

The Bank agrees to keep and maintain for and on behalf of the Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and the Bank may prescribe. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Bond Dealers, Inc., in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three (3) business days after the receipt of the Securities to be canceled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities.

The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt Securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register.

The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Holders.

The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

The Bank will not release or disclose the contents of the Security Register to any person other than to, or at the written request of, an authorized officer or employee of the Issuer, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the Issuer so that the Issuer may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Securities.

The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.



Williamson County, Texas

\$122,785,000 Unlimited Tax Road Bonds, Series 2002

\$7,000,000 Limited Tax General Obligation Bonds, Series 2002-A

\$23,925,000 Limited Tax Notes, Series 2002-B

Final Pricing Summary



May 28, 2002

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WILLIAMSON COUNTY, TEXAS

Moody's Investors Service Standard & Poor's

Investment Grade (I.G.)

Aaa	Highest I.G. Rating	AAA
Aa1		AA+
Aa2	Very Strong	AA
Aa3		AA-
A1		A+
A2	Strong	A
A3		A-
Baa1		BBB+
Baa2		BBB
Baa3	Lowest I.G. Rating	BBB-

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ATTN: Dan Wegmiller
First Southwest Company

MOODY'S ASSIGNS A Aa2 RATING TO WILLIAMSON COUNTY SERIES 2002 \$125,000,000 UNLIMITED TAX ROAD BONDS, SERIES 2002A \$7,000,000 LIMITED TAX GENERAL OBLIGATION BONDS, AND SERIES 2002B \$20,000,000 LIMITED TAX NOTES

OUTLOOK REVISED TO STABLE FROM POSITIVE, AFFECTING APPROXIMATELY \$385 MILLION IN DEBT

Williamson (County of) TX
County
Texas

Moody's Rating

Issue	Rating
General Obligation Road Bonds, Series 2002	Aa2
Sale Amount	\$125,000,000
Expected Sale Date	05/22/02
Rating Description	General Obligation Unlimited Tax
General Obligation Bonds, Series 2002A	Aa2
Sale Amount	\$7,000,000
Expected Sale Date	05/22/02
Rating Description	General Obligation Limited Tax
General Obligation Notes, Series 2002B	Aa2
Sale Amount	\$20,000,000
Expected Sale Date	05/22/02
Rating Description	General Obligation Limited Tax

NEW YORK, May 22, 2002 -- Moody's Investors Service has assigned a Aa2 rating to Williamson County \$125,000,000 Series 2002 Unlimited Tax Road Bonds, \$7,000,000 Series 2002A Limited Tax General Obligation Bonds, and Series 2002B \$20,000,000 Limited Tax Notes. The unlimited tax bond proceeds will be used for various road construction and land acquisition. The limited tax bonds will finance park and recreation improvements. Proceeds from the notes will be used for renovation of certain county buildings, construction of parking facilities, and purchase of a simulcast radio system. In addition, Moody's has affirmed the Aa2 rating on the county's outstanding general obligations and revised the outlook to stable from positive, affecting approximately \$385 million in debt. The rating reflects rapid growth and diversification of the county economy amid volatility in the local high tech industry, specifically in those areas adjacent to nearby Travis County; well-managed financial operations with consistently ample reserve levels, and direct debt levels expected to remain manageable despite plans to issue additional debt.

Williamson County, one of the fastest growing counties in the United States, has more than tripled its taxable values during the past decade, and the population has increased by nearly 80%. The fiscal 2002 taxable value is \$16 billion, a 16% increase over the previous year. Average annual increases for the past five years were over 15%. High-tech, manufacturing, agriculture, and education make up the county's diverse economic and employment base, with the majority of the growth occurring in the southwestern part of the county. Recent workforce reductions at some of the area's high technology companies including Dell have driven January unemployment from 1.6% in 2001 to 4.8% in 2002. Layoffs have tapered off, and Dell's computer sales have picked up considerably. Commercial and residential development continues and has increased in previously undeveloped areas of the county. Officials report

preliminary fiscal 2003 taxable values increasing \$3 billion, about half from new improvements and half from revaluation.

The county's financial operations continue to be well managed, reflecting ongoing revenue growth resulting in the maintenance of ample reserve levels. The county ended fiscal 2001 with a total General Fund balance of approximately \$9.3 million, or 18.4% of operating revenues. Officials have maintained reserves between 18-25% of revenues for each of the last five years and expect to continue to do so. At approximately 67%, property taxes represent the largest county revenue with fines and fees composing the majority of the remainder.

At 7%, the county's debt burden is above average, due primarily to obligations of overlapping units. Williamson County's 2.4% direct debt is moderate, however, and, despite additional borrowing plans, Moody's expects it to remain so. County voters approved, by over 70%, a \$350 million bond authorization for road construction in November of 2000. The authorization will finance construction of various city, county and state roads aimed at alleviating traffic congestion created by the county's rapid growth. Additionally, these funds will be used to finance a portion of planned state toll roads and to update and improve various county roads in need of repair or expansion. In addition to this authorization, voters, at the same time, approved a \$25 million authorization for parks and recreation projects, the majority of which the county is issuing at this time, that will finance four large regional parks with funds allocated to land purchase and building construction and improvements. While these projects will more than double the county's existing direct debt, Moody's expects that continued growth in taxable values and average amortization of principal will accommodate future borrowing. After the current issue, the county will have \$130 million in remaining road bond authorization, which it plans to issue in 2003.

OUTLOOK:

Moody's has revised the outlook on the county's Aa2 rating to stable from positive, reflecting a diverse and rapidly growing region that is weathering a downturn in the high tech sector. While implementation of a large-scale road construction project will require issuance of a significant amount of debt, we believe the county will maintain manageable debt levels and that the financial profile will remain strong, readily accommodating increased operation and maintenance costs associated with the projects.

KEY STATISTICS

2002 population: 249,967

2002 Full valuation: \$16 billion

Debt burden: 7.6%

Direct debt burden: 2.4%

Payout of principal (10 years): 32.9%

FY01 General Fund balance: \$9.3 million (18.4% of General Fund revenues)

Full value per capita: \$64,073

Unemployment rate (1/02): 4.8%

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**STANDARD
& POOR'S****PUBLIC FINANCE**

Publication date: 22-May-2002
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Williamson County, Texas; Unlimited Tax Road Bonds, Series 2002, Limited Tax General Obligation Bonds, Series 2002A and, Limited Tax Notes Series 2002B

Analyst: Wendy Wipperman, Dallas (1) 214-871-1421; Sussan Corson, New York (1) 212-438-2014

Credit Profile

\$23 mil Ltd Tax Notes
 Series 2002B due 2009
 AA-

Sale date: 28-MAY-2002

\$7 mil Ltd Tax GO Bonds
 Series 2002A due 2022
 AA-

Sale date: 28-MAY-2002

\$125 mil Unltd Tax Road Bonds
 Series 2002 due 2026
 AA-

Sale date: 28-MAY-2002

AFFIRMED

\$22,535 mil GO Bonds, Various Series
 AA-

\$59,400 mil Certs of Oblig
 Series 2000A
 AAA / AA- (SPUR)

\$22,200 mil Comb Tax & Rev Certs of Oblig
 Series 2000
 AAA / AA- (SPUR)

OUTLOOK:

STABLE

Rationale

The 'AA-' rating on Williamson County, Texas' unlimited-tax road bonds and limited-tax GO bonds and notes is based on the county's full faith and credit pledge. The rating reflects the county's:

- Sustained economic diversification and expansion, and
- Ability to successfully manage rapid population and tax base growth while maintaining a sound financial position and a manageable capital program.

Additional rating factors reflect the county's:

- Inclusion in the vibrant and rapidly expanding Austin MSA economy;
- Sound management of growth, to date; and
- Consistently strong financial management and performance.

Offsetting rating factors include the county's:

- High and increasing overall net debt levels, and
- Significant future infrastructure needs to meet ongoing growth pressures.

Williamson County has experienced rapid population and tax base growth over the past five years due to its proximity to Austin, Texas and the expansion of the high-technology sector. The tax base has increased a cumulative 74% to \$16 billion in fiscal 2002 from fiscal 1998. Preliminary tax rolls for fiscal 2003 indicate a 23% increase in assessed valuation (AV) over fiscal 2002 to a level of \$19.8 billion. The county has benefited from the expansion of Dell Computer Corp.; Cypress Semiconductor Corp.; and 3M, as well as sustained rapid residential development. County median household income levels exceed state and national averages by 43% and 37%, respectively. Property wealth levels are above average with fiscal 2002 per capita market values at \$53,387.

Williamson County's financial performance and position are sound. The county has consistently met, or exceeded, its minimum general fund balance policy of maintaining reserves equal to two months', or 16%, of operating expenditures since fiscal 1993. Fiscal 2001 audited results reflected a \$591,000 operating surplus after transfers and resulted in a \$9.3

million unreserved general fund balance (or 16.7% of operating expenses).

Overall net debt is high, and still increasing, at \$4,014 per capita and 7.5% of true value. Debt levels will continue to be pressured as the county, cities, and school districts issue additional debt to meet a rapidly growing population's needs. Carrying charges were very high at 19% of fiscal 2001 operating expenses; they are projected to increase with future planned bond issues.

Outlook

The stable outlook reflects the county's stable and expanding economic base and Standard & Poor's expectation that the county will maintain its sound financial position while undertaking a significant capital program and a resultant increased debt burden.

Economy

Williamson County is north of Travis County and in the Austin MSA. Residents enjoy easy transportation access to diverse employment opportunities in Austin ('AA+' GO debt rating) and the county. Dell's headquarters is in Round Rock, Texas in Williamson County. The county has experienced a rapid population increase, increasing 26% to 249,967 in 2000 from 1996. The county's estimated 2002 population has grown to 300,000. Total AV reflects rapid growth, increasing to \$16 billion in fiscal 2002, or 74%, from 1998. Fiscal 2003's preliminary taxable AV totals \$19.8 billion, or a 23% increase over the 2002 tax base. The average home value has appreciated to \$153,000 in 2001, which was a \$22,000, or 17%, increase over 2000 values. The tax base is diverse as the 10 leading taxpayers—including Atlantic Financial Group Ltd., Dell, State Farm Insurance Cos., and Cypress—account for only 4.2% of total AV. The roll off of economic development tax abatements and the continued expansions of Dell and Del Webb's Sun City development will continue to increase AV for the next few years. Total employment in the county has mushroomed, increasing to 155,600 jobs in 2001 from 114,600 in 1997. The unemployment rate, however, has more than doubled to 5.1% in 2001 from 2000. In 2001, significant labor force reductions at Dell and other high-technology employers contributed to the spike in the county's unemployment rate. Leading county employers include Dell, Tellabs Inc., and State Farm Mutual Auto Insurance.

Finances

Williamson County's financial performance and position are sound. The county has consistently met, or exceeded, its minimum general fund balance policy of maintaining reserves equal to two months', or 16%, operating expenditures since fiscal 1993. The county closed fiscal 2000 with a planned \$543,000 operating deficit due to cash funding of capital projects, resulting in an \$8.7 million unreserved general fund balance (or 20% of operating expenses). Property taxes represented 69% of fiscal 2001 general fund revenues. A \$591,000 operating surplus in fiscal 2001 increased reserves to 9.3 million. Compared to other suburban Texas counties, the county's fiscal 2002 tax rate of 35.4 cents per \$100 of AV is moderate. The tax rate is projected to increase by five cents in fiscal 2003 to meet increased debt service costs.

Debt & Capital Plan

Williamson County recently completed a 25-year transportation plan. The plan projects the need to issue \$600 million in bonds to address growth-driven road improvements and extensions and fund the county's share of right-of-way acquisition costs for state highways. If fully implemented, the transportation plan would more than double the amount of direct debt outstanding. In November 2000, the electorate authorized the issuance of \$350 million for road improvements and \$25 million for parks and recreation purposes. This issuance is the second installment of a planned three-year issuance. County management projects the issuance of the final installment of \$130 million in early 2003. The interest and sinking fund tax rate is estimated to increase by a maximum of 11 cents per \$100 of AV to service the entire \$350 million authorization. Strong AV growth is expected to continue and is expected to mitigate some of the effect of the planned additional debt issuance.

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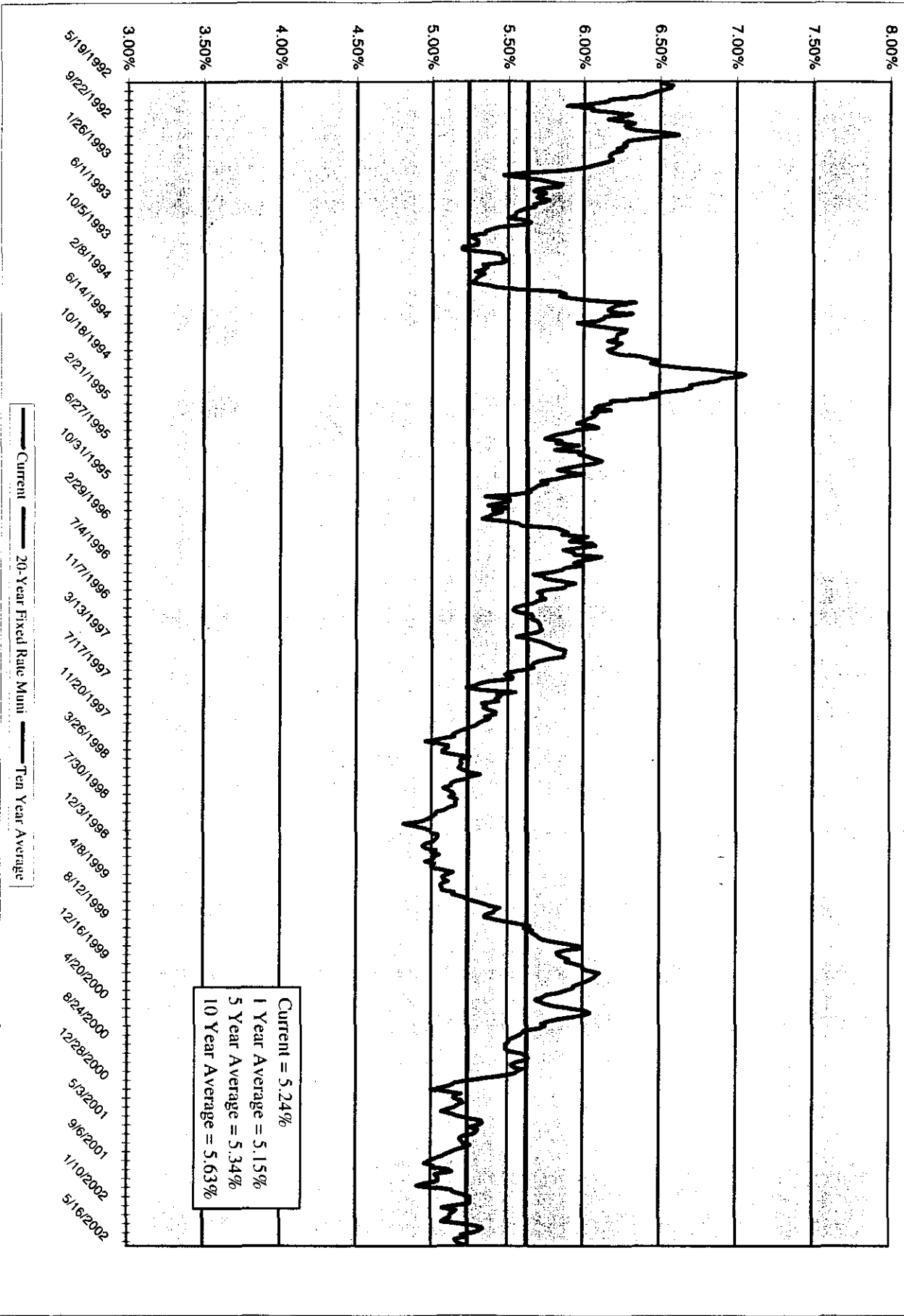
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"Bond Buyer's" Index
Historical General Obligation Interest Rates - Trailing 10 Year Period



Williamson County, Texas							
\$122,785,000 Unlimited Tax Road Bonds							
Series 2002							
PRICING SUMMARY							
Maturity	Type of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price	
2/15/2003	Serial Coupon	3.000%	1.900%	1,270,000.00	100.687%	1,278,724.90	
2/15/2004	Serial Coupon	4.000%	2.500%	3,000,000.00	102.383%	3,071,490.00	
2/15/2005	Serial Coupon	4.000%	3.010%	1,155,000.00	102.485%	1,183,701.75	
2/15/2006	Serial Coupon	5.000%	3.300%	1,200,000.00	105.772%	1,269,264.00	
2/15/2007	Serial Coupon	4.000%	3.560%	1,250,000.00	101.860%	1,273,250.00	
2/15/2008	Serial Coupon	4.000%	3.840%	1,300,000.00	100.799%	1,310,387.00	
2/15/2009	Serial Coupon	4.000%	4.030%	1,355,000.00	99.822%	1,352,588.10	
2/15/2010	Serial Coupon	5.000%	4.230%	3,820,000.00	104.973%	4,009,968.60	
2/15/2011	Serial Coupon	5.000%	4.340%	4,020,000.00	104.704%	4,209,100.80	
2/15/2012	Serial Coupon	5.000%	4.450%	4,225,000.00	104.265%	4,405,196.25	
2/15/2013	Serial Coupon	5.500%	4.540%	4,455,000.00	107.417% c	4,785,427.35	
2/15/2014	Serial Coupon	5.500%	4.640%	4,705,000.00	106.613% c	5,016,141.65	
2/15/2015	Serial Coupon	5.500%	4.720%	4,970,000.00	105.975% c	5,266,957.50	
2/15/2016	Serial Coupon	5.500%	4.810%	5,250,000.00	105.263% c	5,526,307.50	
2/15/2017	Serial Coupon	5.500%	4.870%	5,550,000.00	104.792% c	5,815,956.00	
2/15/2018	Serial Coupon	5.500%	4.930%	5,860,000.00	104.323% c	6,113,327.80	
2/15/2019	Serial Coupon	5.500%	5.000%	6,195,000.00	103.779% c	6,429,109.05	
2/15/2020	Serial Coupon	5.125%	5.170%	6,530,000.00	99.477%	6,495,848.10	
2/15/2021	Serial Coupon	5.200%	5.220%	6,880,000.00	99.756%	6,863,212.80	
2/15/2022	Serial Coupon	5.250%	5.260%	7,245,000.00	99.871%	7,235,653.95	
2/15/2023	Serial Coupon	5.250%	5.290%	7,640,000.00	99.494%	7,601,341.60	
2/15/2024	Serial Coupon	5.300%	5.320%	8,050,000.00	99.737%	8,028,828.50	
2/15/2025	Serial Coupon	5.250%	5.340%	8,490,000.00	98.819%	8,389,733.10	
2/15/2027	Term 1 Coupon	5.250%	5.370%	18,370,000.00	98.364%	18,069,466.80	
Total	-	-	-	122,785,000.00	-	125,000,983.10	

BID INFORMATION

Par Amount of Bonds.....	\$122,785,000.00
Reoffering Premium or (Discount).....	2,215,983.10
Gross Production.....	\$125,000,983.10
Total Underwriter's Discount (0.588%).....	\$(721,975.80)
Bid (101.217%).....	124,279,007.30
Accrued Interest from 05/15/2002 to 06/27/2002.....	743,004.50
Total Purchase Price.....	\$125,022,011.80
Average Life.....	16.448 Years
True Interest Cost (TIC).....	5.1511214%

OFFICIAL STATEMENT

Dated May 28, 2002

Ratings:
Moody's: "Aaa"
S&P: "AAA"
Insurance: FSA
See ("BOND INSURANCE"
AND "OTHER INFORMATION-
Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Series 2002A Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

\$7,000,000
WILLIAMSON COUNTY, TEXAS
LIMITED TAX GENERAL OBLIGATION BONDS, SERIES 2002A

Dated Date: May 15, 2002

Due: February 15, as shown on the next page

PAYMENT TERMS . . . Interest on the \$7,000,000* Williamson County, Texas, Limited Tax General Obligation Bonds, Series 2002A (the "Series 2002A Bonds") will accrue from May 15, 2002 (the "Dated Date") and will be payable February 15 and August 15 of each year commencing February 15, 2003, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Series 2002A Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Series 2002A Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Series 2002A Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Series 2002A Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Series 2002A Bonds. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is JPMorgan Chase Bank, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Series 2002A Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Chapter 1251, Texas Government Code, as amended, and an election held within the County on November 7, 2000 and are direct obligations of Williamson County, Texas (the "County"), payable from a continuing ad valorem tax levied on all taxable property within the County, within the limits prescribed by law, as provided in the order authorizing the Series 2002A Bonds (the "2002A Order") (see "THE OBLIGATIONS - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Series 2002A Bonds will be used for (i) constructing, improving, renovating, equipping and acquiring land and buildings for park and recreational purposes and (ii) paying the costs of issuing the Series 2002A Bonds. Concurrently with the issuance of the Series 2002A Bonds, the County will authorize, issue and deliver its Unlimited Tax Road Bonds, Series 2002 (the "Series 2002 Bonds") which are being issued for road improvements within the County and its Limited Tax Notes, Series 2002B (the "Series 2002B Notes") which are being issued for constructing public works and purchasing materials, supplies, equipment, machines, buildings and land. This Official Statement describes the Series 2002A Bonds, the Series 2002 Bonds and the Series 2002B Notes. The Series 2002A Bonds and the Series 2002 Bonds are collectively referred to herein as the "Bonds". The Bonds and the Series 2002B Notes are collectively referred to herein as the "Obligations."



The scheduled payment of principal of and interest on the 2002A Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2002A Bonds by Financial Security Assurance Inc.

MATURITY SCHEDULE
See Next Page

LEGALITY . . . The Series 2002A Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Austin, Texas (see APPENDIX C - "Form of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by Andrews & Kurth L.L.P., Austin and Houston, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Series 2002A Bonds will be available for delivery through DTC on June 27, 2002.

JPMORGAN

RBC DAIN RAUSCHER

ESTRADA HINOJOSA & CO., INC.

Williamson County, Texas								
\$7,000,000 Limited Tax General Obligation Bonds								
Series 2002-A								
PRICING SUMMARY								
Maturity	Type	of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price	
2/15/2003	Serial	Coupon	3.000%	1.900%	160,000.00	100.687%	161,099.20	
2/15/2004	Serial	Coupon	3.000%	2.500%	245,000.00	100.793%	246,942.85	
2/15/2005	Serial	Coupon	3.000%	3.010%	250,000.00	99.972%	249,930.00	
2/15/2006	Serial	Coupon	3.250%	3.300%	260,000.00	99.827%	259,550.20	
2/15/2007	Serial	Coupon	3.500%	3.560%	270,000.00	99.742%	269,303.40	
2/15/2008	Serial	Coupon	3.800%	3.840%	280,000.00	99.795%	279,426.00	
2/15/2009	Serial	Coupon	4.000%	4.030%	290,000.00	99.822%	289,483.80	
2/15/2010	Serial	Coupon	4.200%	4.230%	300,000.00	99.801%	299,403.00	
2/15/2011	Serial	Coupon	4.300%	4.340%	315,000.00	99.710%	314,086.50	
2/15/2012	Serial	Coupon	4.400%	4.450%	330,000.00	99.606%	328,699.80	
2/15/2013	Serial	Coupon	4.500%	4.580%	345,000.00	99.327%	342,678.15	
2/15/2014	Serial	Coupon	4.625%	4.690%	360,000.00	99.417%	357,901.20	
2/15/2015	Serial	Coupon	4.750%	4.790%	375,000.00	99.618%	373,567.50	
2/15/2016	Serial	Coupon	4.800%	4.880%	395,000.00	99.204%	391,855.80	
2/15/2017	Serial	Coupon	4.875%	4.940%	415,000.00	99.322%	412,186.30	
2/15/2018	Serial	Coupon	5.000%	5.000%	435,000.00	100.000%	435,000.00	
2/15/2019	Serial	Coupon	5.000%	5.070%	455,000.00	99.213%	451,419.15	
2/15/2020	Serial	Coupon	5.100%	5.170%	480,000.00	99.190%	476,112.00	
2/15/2021	Serial	Coupon	5.125%	5.220%	505,000.00	98.870%	499,293.50	
2/15/2022	Serial	Coupon	5.125%	5.260%	535,000.00	98.353%	526,188.55	
Total	-	-	-	-	7,000,000.00	-	6,964,126.90	

BID INFORMATION

Par Amount of Bonds.....	\$7,000,000.00
Reoffering Premium or (Discount).....	(35,873.10)
Gross Production.....	\$6,964,126.90
Total Underwriter's Discount (0.578%).....	\$(40,460.00)
Bid (98.910%).....	6,923,666.90
Accrued Interest from 05/15/2002 to 06/27/2002.....	36,389.94
Total Purchase Price.....	\$6,960,056.84
Average Life.....	11.809 Years
True Interest Cost (TIC).....	4.8538900%

OFFICIAL STATEMENT

Dated May 28, 2002

Ratings:
Moody's: "Aaa"
S&P: "AAA"
Insurance: FSA
See ("BOND INSURANCE"
AND "OTHER INFORMATION-
Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Series 2002B Notes will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.

\$23,925,000
WILLIAMSON COUNTY, TEXAS
LIMITED TAX NOTES, SERIES 2002B

Dated Date: May 15, 2002

Due: February 15, as shown on the next page

PAYMENT TERMS . . . Interest on the \$23,925,000 Williamson County, Texas, Limited Tax Notes, Series 2002B (the "Notes" or the "Series 2002B Notes") will accrue from May 15, 2002 (the "Dated Date") and will be payable on February 15 and August 15 of each year commencing February 15, 2003, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Notes will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Notes may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Notes will be made to the owners thereof.** Principal of, premium, if any, and interest on the Notes will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is JPMorgan Chase Bank, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Notes are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), particularly Chapter 1431, Texas Government Code, as amended and constitute direct obligations of Williamson County, Texas (the "County"), payable from a continuing ad valorem tax levied on all taxable property within the County, within the limits prescribed by law, as provided in the order authorizing the Notes (the "2002B Order") (see "THE OBLIGATIONS - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Notes will be used to (i) constructing public works and purchasing materials, supplies, equipment, machines, buildings and land and (ii) pay the costs of issuance of the Series 2002B Notes. Concurrently with the issuance of the Series 2002B Notes, the County will authorize, issue and deliver its Unlimited Tax Road Bonds, Series 2002 (the "Series 2002 Bonds") which are being issued for road improvements within the County and its Limited Tax General Obligation Bonds, Series 2002A (the "Series 2002A Bonds") which are being issued for park improvements within the County. This Official Statement describes the Series 2002B Notes, the Series 2002 Bonds and the Series 2002A Bonds. The Series 2002B Notes, the Series 2002 Bonds and the Series 2002A Bonds are collectively referred to herein as the "Obligations."



The scheduled payment of principal of and interest on the 2002B Notes when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2002B Notes by Financial Security Assurance Inc.

MATURITY SCHEDULE
Shown on the next Page

LEGALITY . . . The Series 2002B Notes are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Austin, Texas (see APPENDIX C - "Form of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by Andrews & Kurth L.L.P., Austin and Houston, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Series 2002B Notes will be available for delivery through DTC on June 27, 2002.

JPMORGAN

RBC DAIN RAUSCHER

ESTRADA HINOJOSA & CO., INC.

<div>Williamson County, Texas</div> <div>\$23,925,000 Limited Tax Notes</div> <div>Series 2002-B</div> <div>PRICING SUMMARY</div>							
Maturity	Type	of Bond	Coupon	Yield	Maturity Value	Price	Dollar Price
2/15/2004	Serial	Coupon	3.000%	2.500%	250,000.00	100.793%	251,982.50
2/15/2005	Serial	Coupon	5.000%	3.010%	3,660,000.00	104.998%	3,842,926.80
2/15/2006	Serial	Coupon	5.000%	3.300%	3,845,000.00	105.772%	4,066,933.40
2/15/2007	Serial	Coupon	5.000%	3.560%	4,045,000.00	106.096%	4,291,583.20
2/15/2008	Serial	Coupon	5.000%	3.840%	4,250,000.00	105.821%	4,497,392.50
2/15/2009	Serial	Coupon	5.000%	4.030%	7,875,000.00	105.592%	8,315,370.00
Total	-	-	-	-	23,925,000.00	-	25,266,188.40

BID INFORMATION

Par Amount of Bonds.....	\$23,925,000.00
Reoffering Premium or (Discount).....	1,341,188.40
Gross Production.....	\$25,266,188.40
Total Underwriter's Discount (0.474%).....	\$(113,404.50)
Bid (105.132%).....	25,152,783.90
Accrued Interest from 05/15/2002 to 06/27/2002.....	138,979.17
Total Purchase Price.....	\$25,291,763.07
Average Life.....	5.088 Years
True Interest Cost (TIC).....	3.8592007%

WILLIAMSON COUNTY, TEXAS
Updated Capital Improvement Program
Final Pricing

FYE 9/30	Assessed Valuation	Existing Debt	5/15/02 \$23,925,000 Notes	5/15/02 \$122,785,000 Road Bonds	5/15/02 \$7,000,000 Park Bonds	Projected Total Debt Service	Est. I&S Tax Rate	Change
2002	\$ 16,016,215.641	\$ 17,209,855	-	-	-	\$ 17,209,855	\$ 0.10363	\$ -
2003	19,000,000.000	17,507,719	1,350,083	8,468,708	511,102	27,837,612	0.14799	0.044
2004	20,520,000.000	17,454,719	1,437,500	9,270,510	548,439	28,711,168	0.14133	
2005	21,546,000.000	19,678,344	4,752,250	7,342,410	546,014	32,319,018	0.15152	
2006	22,623,300.000	19,847,519	4,749,625	7,334,310	548,039	32,479,493	0.14502	
2007	23,754,465.000	20,171,556	4,752,375	7,329,310	549,089	32,802,330	0.13948	
2008	24,348,326.625	20,178,069	4,750,000	7,328,310	549,044	32,805,423	0.13609	
2009	24,957,034.791	20,171,531	8,071,875	7,330,210	547,924	36,121,540	0.14620	
2010	25,580,960.660	18,958,394	-	9,672,610	545,824	29,176,828	0.11521	
2011	26,220,484.677	17,958,429	-	9,676,610	547,751	28,182,790	0.10857	
2012	26,875,996.794	17,950,526	-	9,675,485	548,719	28,174,730	0.10589	
2013	27,547,896.714	17,957,929	-	9,677,348	548,696	28,183,973	0.10334	
2014	28,236,594.132	17,958,569	-	9,675,448	547,609	28,181,625	0.10081	
2015	28,942,508.985	17,952,806	-	9,674,385	545,378	28,172,569	0.09832	
2016	29,666,071.709	17,955,284	-	9,673,335	546,991	28,175,611	0.09594	
2017	30,407,723.502	17,950,675	-	9,676,335	547,396	28,174,406	0.09359	
2018	31,167,916.590	17,950,488	-	9,672,560	546,405	28,169,453	0.09129	
2019	31,947,114.504	17,954,222	-	9,676,048	544,155	28,174,424	0.08908	
2020	32,745,792.367	17,955,091	-	9,673,354	545,540	28,173,984	0.08691	
2021	33,564,437.176	9,899,200	-	9,677,143	545,359	20,121,702	0.06056	
2022	34,403,548.106	9,906,591	-	9,673,081	548,709	20,128,381	0.05910	
2023	35,263,636.808	9,903,109	-	9,677,350	-	19,580,459	0.05609	
2024	36,145,227.728	9,899,131	-	9,673,475	-	19,572,606	0.05470	
2025	37,048,858.422	9,906,725	-	9,677,288	-	19,584,013	0.05339	
2026	37,975,079.882	9,899,719	-	9,674,619	-	19,574,338	0.05207	
2027	38,924,456.879	9,899,719	-	9,672,406	-	19,572,125	0.05079	
		\$ 420,035,917	\$ 29,863,708	\$ 228,552,646	\$ 10,908,182	\$ 689,360,453		\$ 0.044

Assumptions:
FYs 2001 and 2002 assessed valuations and tax rates are actual. FY 2003 assessed valuation provided by the County.
Assessed Valuation assumed to grow by 8% in 2004, 5% / year from 2005-2007 and 2.5% / year thereafter.
FYs 2001 and 2002 tax rates and assessed valuations provided by the County.
Estimated Tax Collection Rate: 99.00%
FY 2002 debt service on new issues shown net of accrued interest received at closing.
FINAL interest rates for purposes of illustration only: Series 2002 Notes = 3.86% / Series 2002 Road = 5.15% / Series 2002 Park = 4.85%

<div>Williamson County, Texas</div> <div>\$122,785,000 Unlimited Tax Road Bonds</div> <div>Series 2002</div>	
SOURCES & USES	
Dated 05/15/2002	Delivered 06/27/2002
<div>SOURCES OF FUNDS</div> <div>Par Amount of Bonds..... \$122,785,000.00</div> <div>Net Reoffering Premium..... 2,215,983.10</div> <div>Accrued Interest from 05/15/2002 to 06/27/2002..... 743,004.50</div> <div>TOTAL SOURCES..... \$125,743,987.60</div> <div>USES OF FUNDS</div> <div>Total Underwriter's Discount (0.588%)..... 721,975.80</div> <div>Costs of Issuance..... 250,000.00</div> <div>Gross Bond Insurance Premium (16.3 bp)..... 373,751.91</div> <div>Deposit to Debt Service Fund..... 743,004.50</div> <div>Deposit to Project Construction Fund..... 123,653,000.00</div> <div>Additional Debt Service Fund Deposit..... 983.10</div> <div>Rounding Amount..... 1,272.29</div> <div>TOTAL USES..... \$125,743,987.60</div>	

Williamson County, Texas	
\$7,000,000 Limited Tax General Obligation Bonds	
Series 2002-A	
SOURCES & USES	
Dated 05/15/2002	Delivered 06/27/2002
SOURCES OF FUNDS	
Par Amount of Bonds.....	\$7,000,000.00
Accrued Interest from 05/15/2002 to 06/27/2002.....	36,389.94
TOTAL SOURCES.....	\$7,036,389.94
USES OF FUNDS	
Original Issue Discount (OID).....	35,873.10
Total Underwriter's Discount (0.578%).....	40,460.00
Costs of Issuance.....	55,000.00
Gross Bond Insurance Premium (16.3 bp).....	17,839.65
Deposit to Debt Service Fund.....	36,389.94
Deposit to Project Construction Fund.....	6,850,000.00
Rounding Amount.....	827.25
TOTAL USES.....	\$7,036,389.94

<div>Williamson County, Texas</div> <div>\$23,925,000 Limited Tax Notes</div> <div>Series 2002-B</div> <div>SOURCES & USES</div>	
Dated 05/15/2002	Delivered 06/27/2002
<div>SOURCES OF FUNDS</div> <div>Par Amount of Bonds..... \$23,925,000.00</div> <div>Reoffering Premium..... 1,341,188.40</div> <div>Accrued Interest from 05/15/2002 to 06/27/2002..... 138,979.17</div> <div>TOTAL SOURCES..... \$25,405,167.57</div> <div>USES OF FUNDS</div> <div>Total Underwriter's Discount (0.474%)..... 113,404.50</div> <div>Costs of Issuance..... 100,000.00</div> <div>Gross Bond Insurance Premium (16.3 bp)..... 48,904.38</div> <div>Deposit to Debt Service Fund..... 138,979.17</div> <div>Deposit to Project Construction Fund..... 25,000,000.00</div> <div>Rounding Amount..... 3,879.52</div> <div>TOTAL USES..... \$25,405,167.57</div>	

Williamson County, Texas
\$122,785,000 Unlimited Tax Road Bonds
Series 2002

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
6/27/2002	-	-	-	-	-
2/15/2003	1,270,000.00	3.000%	4,776,457.50	6,046,457.50	-
8/15/2003	-	-	3,165,255.00	3,165,255.00	-
9/30/2003	-	-	-	-	9,211,712.50
2/15/2004	3,000,000.00	4.000%	3,165,255.00	6,165,255.00	-
8/15/2004	-	-	3,105,255.00	3,105,255.00	-
9/30/2004	-	-	-	-	9,270,510.00
2/15/2005	1,155,000.00	4.000%	3,105,255.00	4,260,255.00	-
8/15/2005	-	-	3,082,155.00	3,082,155.00	-
9/30/2005	-	-	-	-	7,342,410.00
2/15/2006	1,200,000.00	5.000%	3,082,155.00	4,282,155.00	-
8/15/2006	-	-	3,052,155.00	3,052,155.00	-
9/30/2006	-	-	-	-	7,334,310.00
2/15/2007	1,250,000.00	4.000%	3,052,155.00	4,302,155.00	-
8/15/2007	-	-	3,027,155.00	3,027,155.00	-
9/30/2007	-	-	-	-	7,329,310.00
2/15/2008	1,300,000.00	4.000%	3,027,155.00	4,327,155.00	-
8/15/2008	-	-	3,001,155.00	3,001,155.00	-
9/30/2008	-	-	-	-	7,328,310.00
2/15/2009	1,355,000.00	4.000%	3,001,155.00	4,356,155.00	-
8/15/2009	-	-	2,974,055.00	2,974,055.00	-
9/30/2009	-	-	-	-	7,330,210.00
2/15/2010	3,820,000.00	5.000%	2,974,055.00	6,794,055.00	-
8/15/2010	-	-	2,878,555.00	2,878,555.00	-
9/30/2010	-	-	-	-	9,672,610.00
2/15/2011	4,020,000.00	5.000%	2,878,555.00	6,898,555.00	-
8/15/2011	-	-	2,778,055.00	2,778,055.00	-
9/30/2011	-	-	-	-	9,676,610.00
2/15/2012	4,225,000.00	5.000%	2,778,055.00	7,003,055.00	-
8/15/2012	-	-	2,672,430.00	2,672,430.00	-
9/30/2012	-	-	-	-	9,675,485.00
2/15/2013	4,455,000.00	5.500%	2,672,430.00	7,127,430.00	-
8/15/2013	-	-	2,549,917.50	2,549,917.50	-
9/30/2013	-	-	-	-	9,677,347.50
2/15/2014	4,705,000.00	5.500%	2,549,917.50	7,254,917.50	-
8/15/2014	-	-	2,420,530.00	2,420,530.00	-
9/30/2014	-	-	-	-	9,675,447.50
2/15/2015	4,970,000.00	5.500%	2,420,530.00	7,390,530.00	-
8/15/2015	-	-	2,283,855.00	2,283,855.00	-
9/30/2015	-	-	-	-	9,674,385.00
2/15/2016	5,250,000.00	5.500%	2,283,855.00	7,533,855.00	-
8/15/2016	-	-	2,139,480.00	2,139,480.00	-
9/30/2016	-	-	-	-	9,673,335.00
2/15/2017	5,550,000.00	5.500%	2,139,480.00	7,689,480.00	-
8/15/2017	-	-	1,986,855.00	1,986,855.00	-
9/30/2017	-	-	-	-	9,676,335.00
2/15/2018	5,860,000.00	5.500%	1,986,855.00	7,846,855.00	-

<div>Williamson County, Texas</div> <div>\$122,785,000 Unlimited Tax Road Bonds</div> <div>Series 2002</div> <div>DEBT SERVICE SCHEDULE</div>					
Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
8/15/2018	-	-	1,825,705.00	1,825,705.00	-
9/30/2018	-	-	-	-	9,672,560.00
2/15/2019	6,195,000.00	5.500%	1,825,705.00	8,020,705.00	-
8/15/2019	-	-	1,655,342.50	1,655,342.50	-
9/30/2019	-	-	-	-	9,676,047.50
2/15/2020	6,530,000.00	5.125%	1,655,342.50	8,185,342.50	-
8/15/2020	-	-	1,488,011.25	1,488,011.25	-
9/30/2020	-	-	-	-	9,673,353.75
2/15/2021	6,880,000.00	5.200%	1,488,011.25	8,368,011.25	-
8/15/2021	-	-	1,309,131.25	1,309,131.25	-
9/30/2021	-	-	-	-	9,677,142.50
2/15/2022	7,245,000.00	5.250%	1,309,131.25	8,554,131.25	-
8/15/2022	-	-	1,118,950.00	1,118,950.00	-
9/30/2022	-	-	-	-	9,673,081.25
2/15/2023	7,640,000.00	5.250%	1,118,950.00	8,758,950.00	-
8/15/2023	-	-	918,400.00	918,400.00	-
9/30/2023	-	-	-	-	9,677,350.00
2/15/2024	8,050,000.00	5.300%	918,400.00	8,968,400.00	-
8/15/2024	-	-	705,075.00	705,075.00	-
9/30/2024	-	-	-	-	9,673,475.00
2/15/2025	8,490,000.00	5.250%	705,075.00	9,195,075.00	-
8/15/2025	-	-	482,212.50	482,212.50	-
9/30/2025	-	-	-	-	9,677,287.50
2/15/2026	8,945,000.00	5.250%	482,212.50	9,427,212.50	-
8/15/2026	-	-	247,406.25	247,406.25	-
9/30/2026	-	-	-	-	9,674,618.75
2/15/2027	9,425,000.00	5.250%	247,406.25	9,672,406.25	-
9/30/2027	-	-	-	-	9,672,406.25
Total	122,785,000.00	-	106,510,650.00	229,295,650.00	-

YIELD STATISTICS

Accrued Interest from 05/15/2002 to 06/27/2002.....	743,004.50
Average Life.....	16.448 Years
True Interest Cost (TIC).....	5.1511214%
Bond Yield for Arbitrage Purposes.....	4.9858634%

Williamson County, Texas
\$7,000,000 Limited Tax General Obligation Bonds
Series 2002-A

DEBT SERVICE SCHEDULE

Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
6/27/2002	-	-	-	-	-
2/15/2003	160,000.00	3.000%	233,935.31	393,935.31	-
8/15/2003	-	-	153,556.88	153,556.88	-
9/30/2003	-	-	-	-	547,492.19
2/15/2004	245,000.00	3.000%	153,556.88	398,556.88	-
8/15/2004	-	-	149,881.88	149,881.88	-
9/30/2004	-	-	-	-	548,438.76
2/15/2005	250,000.00	3.000%	149,881.88	399,881.88	-
8/15/2005	-	-	146,131.88	146,131.88	-
9/30/2005	-	-	-	-	546,013.76
2/15/2006	260,000.00	3.250%	146,131.88	406,131.88	-
8/15/2006	-	-	141,906.88	141,906.88	-
9/30/2006	-	-	-	-	548,038.76
2/15/2007	270,000.00	3.500%	141,906.88	411,906.88	-
8/15/2007	-	-	137,181.88	137,181.88	-
9/30/2007	-	-	-	-	549,088.76
2/15/2008	280,000.00	3.800%	137,181.88	417,181.88	-
8/15/2008	-	-	131,861.88	131,861.88	-
9/30/2008	-	-	-	-	549,043.76
2/15/2009	290,000.00	4.000%	131,861.88	421,861.88	-
8/15/2009	-	-	126,061.88	126,061.88	-
9/30/2009	-	-	-	-	547,923.76
2/15/2010	300,000.00	4.200%	126,061.88	426,061.88	-
8/15/2010	-	-	119,761.88	119,761.88	-
9/30/2010	-	-	-	-	545,823.76
2/15/2011	315,000.00	4.300%	119,761.88	434,761.88	-
8/15/2011	-	-	112,989.38	112,989.38	-
9/30/2011	-	-	-	-	547,751.26
2/15/2012	330,000.00	4.400%	112,989.38	442,989.38	-
8/15/2012	-	-	105,729.38	105,729.38	-
9/30/2012	-	-	-	-	548,718.76
2/15/2013	345,000.00	4.500%	105,729.38	450,729.38	-
8/15/2013	-	-	97,966.88	97,966.88	-
9/30/2013	-	-	-	-	548,696.26
2/15/2014	360,000.00	4.625%	97,966.88	457,966.88	-
8/15/2014	-	-	89,641.88	89,641.88	-
9/30/2014	-	-	-	-	547,608.76
2/15/2015	375,000.00	4.750%	89,641.88	464,641.88	-
8/15/2015	-	-	80,735.63	80,735.63	-
9/30/2015	-	-	-	-	545,377.51
2/15/2016	395,000.00	4.800%	80,735.63	475,735.63	-
8/15/2016	-	-	71,255.63	71,255.63	-
9/30/2016	-	-	-	-	546,991.26
2/15/2017	415,000.00	4.875%	71,255.63	486,255.63	-
8/15/2017	-	-	61,140.00	61,140.00	-
9/30/2017	-	-	-	-	547,395.63
2/15/2018	435,000.00	5.000%	61,140.00	496,140.00	-

OFFICIAL STATEMENT

Dated May 28, 2002

Ratings:
Moody's: "Aaa"
S&P: "AAA"
Insurance: FSA
See ("BOND INSURANCE"
and OTHER INFORMATION-
Ratings" herein)

NEW ISSUE - Book-Entry-Only

In the opinion of Bond Counsel, interest on the Series 2002 Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on corporations.


\$122,785,000
WILLIAMSON COUNTY, TEXAS
UNLIMITED TAX ROAD BONDS, SERIES 2002

Dated Date: May 15, 2002 Due: February 15, as shown on the inside cover page

PAYMENT TERMS . . . Interest on the \$122,785,000 Williamson County, Texas, Unlimited Tax Road Bonds, Series 2002 (the "Series 2002 Bonds") will accrue from May 15, 2002 (the "Dated Date") and will be payable February 15 and August 15 of each year commencing February 15, 2003, and will be calculated on the basis of a 360-day year consisting of twelve 30-day months. The definitive Series 2002 Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company ("DTC") pursuant to the Book-Entry-Only System described herein. Beneficial ownership of the Series 2002 Bonds may be acquired in denominations of \$5,000 or integral multiples thereof. **No physical delivery of the Series 2002 Bonds will be made to the owners thereof.** Principal of, premium, if any, and interest on the Series 2002 Bonds will be payable by the Paying Agent/Registrar to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Series 2002 Bonds. See "THE OBLIGATIONS - Book-Entry-Only System" herein. The initial Paying Agent/Registrar is JPMorgan Chase Bank, Dallas, Texas (see "THE OBLIGATIONS - Paying Agent/Registrar").

AUTHORITY FOR ISSUANCE . . . The Series 2002 Bonds are issued pursuant to the Constitution and general laws of the State of Texas (the "State"), including particularly Article III, Section 52 of the Texas Constitution, as amended, and Section 1471.015, Texas Government Code, as amended, and an election held within the County on November 7, 2000 and are direct obligations of Williamson County, Texas (the "County"), payable from a continuing ad valorem tax levied on all taxable property within the County, legally unlimited as to rate or amount, as provided in the order authorizing the issuance of the Series 2002 Bonds (the "Series 2002 Order") (see "THE OBLIGATIONS - Authority for Issuance").

PURPOSE . . . Proceeds from the sale of the Series 2002 Bonds will be used for (i) constructing, acquiring by purchase, maintaining and operating of roads within Williamson County and (ii) paying the costs of issuance of the Series 2002 Bonds. Concurrently with the issuance of the Series 2002 Bonds, the County will authorize, issue and deliver its Limited Tax General Obligation Bonds, Series 2002A (the "Series 2002A Bonds") which are being issued for park improvements within the County and its Limited Tax Notes, Series 2002B (the "Series 2002B Notes") which are being issued for constructing public works and purchasing materials, supplies, equipment, machines, buildings and land. This Official Statement describes the Series 2002 Bonds, the Series 2002A Bonds and the Series 2002B Notes. The Series 2002 Bonds and the Series 2002A Bonds are collectively referred to herein as the "Bonds". The Bonds and the Series 2002B Notes are collectively referred to herein as the "Obligations."

 The scheduled payment of principal of and interest on the 2002 Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the 2002 Bonds by Financial Security Assurance Inc.

MATURITY SCHEDULE
See Inside Cover Page

LEGALITY . . . The Series 2002 Bonds are offered for delivery when, as and if issued and received by the Underwriters and subject to the approving opinion of the Attorney General of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Austin, Texas (see APPENDIX C - "Form of Bond Counsel's Opinions"). Certain legal matters will be passed upon for the Underwriters by Andrews & Kurth L.L.P., Austin and Houston, Texas, Counsel for the Underwriters.

DELIVERY . . . It is expected that the Series 2002 Bonds will be available for delivery through DTC on June 27, 2002.

JPMORGAN

RBC DAIN RAUSCHER MORGAN STANLEY ESTRADA HINOJOSA & CO., INC.

<div>Williamson County, Texas</div> <div>\$7,000,000 Limited Tax General Obligation Bonds</div> <div>Series 2002-A</div> <div>DEBT SERVICE SCHEDULE</div>					
Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
8/15/2018	-	-	50,265.00	50,265.00	-
9/30/2018	-	-	-	-	546,405.00
2/15/2019	455,000.00	5.000%	50,265.00	505,265.00	-
8/15/2019	-	-	38,890.00	38,890.00	-
9/30/2019	-	-	-	-	544,155.00
2/15/2020	480,000.00	5.100%	38,890.00	518,890.00	-
8/15/2020	-	-	26,650.00	26,650.00	-
9/30/2020	-	-	-	-	545,540.00
2/15/2021	505,000.00	5.125%	26,650.00	531,650.00	-
8/15/2021	-	-	13,709.38	13,709.38	-
9/30/2021	-	-	-	-	545,359.38
2/15/2022	535,000.00	5.125%	13,709.38	548,709.38	-
9/30/2022	-	-	-	-	548,709.38
Total	7,000,000.00	-	3,944,571.71	10,944,571.71	-

YIELD STATISTICS

Accrued Interest from 05/15/2002 to 06/27/2002.....	36,389.94
Average Life.....	11.809 Years
True Interest Cost (TIC).....	4.8538900%
Bond Yield for Arbitrage Purposes.....	4.9858634%

First Southwest Company
Public Finance

File = WILLIAMSON CO Mar 20 A. SF-02 deals FINAL (revised)
5/24/2002 12:31 PM

Williamson County, Texas					
\$23,925,000 Limited Tax Notes					
Series 2002-B					
DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Total P+I	FISCAL TOTAL
6/27/2002	-	-	-	-	-
2/15/2003	-	-	893,437.50	893,437.50	-
8/15/2003	-	-	595,625.00	595,625.00	-
9/30/2003	-	-	-	-	1,489,062.50
2/15/2004	250,000.00	3.000%	595,625.00	845,625.00	-
8/15/2004	-	-	591,875.00	591,875.00	-
9/30/2004	-	-	-	-	1,437,500.00
2/15/2005	3,660,000.00	5.000%	591,875.00	4,251,875.00	-
8/15/2005	-	-	500,375.00	500,375.00	-
9/30/2005	-	-	-	-	4,752,250.00
2/15/2006	3,845,000.00	5.000%	500,375.00	4,345,375.00	-
8/15/2006	-	-	404,250.00	404,250.00	-
9/30/2006	-	-	-	-	4,749,625.00
2/15/2007	4,045,000.00	5.000%	404,250.00	4,449,250.00	-
8/15/2007	-	-	303,125.00	303,125.00	-
9/30/2007	-	-	-	-	4,752,375.00
2/15/2008	4,250,000.00	5.000%	303,125.00	4,553,125.00	-
8/15/2008	-	-	196,875.00	196,875.00	-
9/30/2008	-	-	-	-	4,750,000.00
2/15/2009	7,875,000.00	5.000%	196,875.00	8,071,875.00	-
9/30/2009	-	-	-	-	8,071,875.00
Total	23,925,000.00	-	6,077,687.50	30,002,687.50	-

YIELD STATISTICS

Accrued Interest from 05/15/2002 to 06/27/2002.....	138,979.17
Average Life.....	5.088 Years
True Interest Cost (TIC).....	3.8592007%
Bond Yield for Arbitrage Purposes.....	4.9858634%

**ORDER AUTHORIZING THE ISSUANCE OF WILLIAMSON COUNTY, TEXAS
UNLIMITED TAX ROAD BONDS, SERIES 2002; LEVYING AN AD VALOREM TAX
IN SUPPORT OF THE BONDS; APPROVING A PAYING AGENT/REGISTRAR
AGREEMENT, AN OFFICIAL STATEMENT AND A BOND PURCHASE
AGREEMENT; AND AUTHORIZING OTHER MATTERS RELATED TO THE BONDS**

THE STATE OF TEXAS

§

COUNTY OF WILLIAMSON

§

§

WHEREAS, on August 29, 2000, in accordance with Chapter 1251, Texas Government Code, as amended, the Texas Election Code, as amended and other general laws, the Commissioners Court of Williamson County, Texas (the "County") adopted an "Order Calling a Bond Election; Making Provision for the Conduct of the Election; and Ordering Other Matters Incident and Related to Such Election" with such election to be held within the County on November 7, 2000 to submit to the voters of the County two different propositions to authorize the bonds hereinafter stated; and

WHEREAS, on October 11, 2000 and on October 18, 2000, a Notice of Election was published in the *Williamson County Sun*, a newspaper, as defined in Section 2051.044, Government Code, as amended, of general circulation and published within the County; and

WHEREAS, on October 4, 2000, the County posted the Notice of Election at the County Courthouse and three other public places in the County in accordance with Section 1251.003 of the Government Code and Section 4.003 of the Texas Election Code; and

WHEREAS, on November 13, 2000, the Commissioners Court met in a special meeting to canvass the election returns; and

WHEREAS, the voters of the County authorized the Commissioners Court of the County to issue the bonds set forth in Proposition Number 1 which aggregates \$350,000,000 in principal amount for road projects and Proposition Number 2 which aggregates \$25,000,000 in principal amount for park purposes; and

WHEREAS, on May 14, 2001 the County issued \$95,000,000 Williamson County, Texas Unlimited Tax Road Bonds, Series 2001 authorized by Proposition Number 1 for the purpose of construction, acquisition by purchase, maintenance and operation of macadamized, graveled or paved roads, or in aid thereof, within Williamson County and reserved the right to issue the remaining \$255,000,000 authorized but unissued bonds at such time as determined by the Commissioners Court; and

WHEREAS, the Commissioners Court deems it to be in the best interest of the County to issue \$125,000,983.10 (principal of \$122,785,000 and net premium \$2,215,983.10) of the remaining \$255,000,000 in bonds authorized by Proposition Number 1 for the purpose of construction,

acquisition by purchase, maintenance and operation of macadamized, graveled or paved roads, or in aid thereof, within Williamson County as further provided in Proposition 1 and reserves the right to issue the remaining \$129,999,016.90 authorized but unissued bonds at such time as determined by the Commissioners Court.

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

Section 1. RECITALS, AMOUNT AND PURPOSE OF THE BONDS. 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 Bonds are hereby authorized to be issued pursuant to Article III, Section 52 of the Texas Constitution and Section 1471.015, Texas Government Code and delivered in the aggregate principal amount of \$122,785,000 for the purposes as set forth in Proposition Number 1 of the November 7, 2000 election and paying the costs of issuing the Bonds.

Section 2. DESIGNATION, DATE, DENOMINATIONS, NUMBERS AND MATURITIES OF BONDS. Each bond issued pursuant to this Order shall be designated: "WILLIAMSON COUNTY, TEXAS UNLIMITED TAX ROAD BONDS, SERIES 2002," and initially there shall be issued, sold and delivered hereunder fully registered bonds, without interest coupons, dated May 15, 2002, in the respective denominations and principal amounts hereinafter stated, numbered consecutively from R-1 upward (except the initial Bond delivered to the Attorney General of the State of Texas which shall be numbered T-1), payable to the respective initial Registered Owners thereof (as designated in Section 11 hereof), or to the registered assignee or assignees of said Bonds or any portion or portions thereof (in each case, the "Registered Owner"), and said Bonds shall mature and be payable on February 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>
2003	\$1,270,000	2015	\$ 4,970,000
2004	3,000,000	2016	5,250,000
2005	1,155,000	2017	5,550,000
2006	1,200,000	2018	5,860,000
2007	1,250,000	2019	6,195,000
2008	1,300,000	2020	6,530,000
2009	1,355,000	2021	6,880,000
2010	3,820,000	2022	7,245,000
2011	4,020,000	2023	7,640,000
2012	4,225,000	2024	8,050,000
2013	4,455,000	2025	8,490,000
2014	4,705,000	2027	18,370,000

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

Section 3. INTEREST. The Bonds scheduled to mature during the years, respectively, set forth below shall bear interest from the dates specified in the Form of Bond 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>
2003	3.000%	2015	5.500%
2004	4.000	2016	5.500
2005	4.000	2017	5.500
2006	5.000	2018	5.500
2007	4.000	2019	5.500
2008	4.000	2020	5.125
2009	4.000	2021	5.200
2010	5.000	2022	5.250
2011	5.000	2023	5.250
2012	5.000	2024	5.300
2013	5.500	2025	5.250
2014	5.500	2027	5.250

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

Section 4. CHARACTERISTICS OF THE BONDS. Registration, Transfer, Conversion and Exchange; Authentication. (a) The County shall keep or cause to be kept at JPMorgan Chase Bank, Dallas, Texas (the "Paying Agent/Registrar") books or records for the registration of the transfer, conversion and exchange of the Bonds (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 Bond to which payments with respect to the Bonds 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 Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the Form of Bond set forth in this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

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 Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds 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 Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein, and said Bonds shall be printed or typed on paper of customary weight and strength. Pursuant to Chapter 1201, Texas Government Code, as amended, and particularly Subchapter D thereof, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable and enforceable in the same manner and with the same effect as the Bonds 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 Bonds 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 Bonds, 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 Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, 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 Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be converted and exchanged for other Bonds, (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 Bonds 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 Bonds, all as provided, and in the manner and to the effect as required or indicated, in the Form

of Bond set forth in this Order. The Bonds 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 Bond issued in conversion of and exchange for any Bond or Bonds issued under this Order the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Bond, in the form set forth in the Form of Bond.

(d) Substitute Paying Agent/Registrar. The County covenants with the Registered Owners of the Bonds that at all times while the Bonds 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 Bonds 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 Bonds, 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 Bonds, 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 Bonds issued in exchange for the Bonds initially issued as provided in Section 4(h) shall be issued in the form of a separate single fully registered Bond 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 Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any 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 Bonds. 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 Bonds, (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

Bonds 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 Bonds. 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 Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal of and interest, with respect to such Bond, for the purposes of registering transfers with respect to such Bond, and for all other purposes of registering transfers with respect to such Bonds, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds 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 Bonds 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 Bond 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 Bond, 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 Bond to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds 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 Bond 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 Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations of the County to DTC.

(h) Initial Bond. The Bonds herein authorized shall be initially issued as fully registered Bonds, being one Bond in the denomination of the aggregate principal amount and the initial Bond shall be registered in the names of the purchaser or the designees thereof as set forth in Section 11

hereof. The initial Bond shall be the Bonds 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 11. Immediately after the delivery of the initial Bond, the Paying Agent/Registrar shall cancel the initial Bond delivered hereunder and exchange therefor Bonds in the form of a separate single fully registered Bond 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 Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(i) DTC Blanket Letter of Representations. The County confirms execution of a Blanket Issuer Letter of Representations with DTC establishing the Book-Entry-Only System which will be utilized with respect to the Bonds.

Section 5. FORM OF BOND. The form of the Bond, 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 Bonds 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 BOND

NO. R-	UNITED STATES OF AMERICA STATE OF TEXAS WILLIAMSON COUNTY, TEXAS UNLIMITED TAX ROAD BONDS SERIES 2002	PRINCIPAL AMOUNT \$ _____
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INTEREST
RATE

DATE OF
BOND

MATURITY
DATE

CUSIP NO.

May 15, 2002

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 Bonds set forth above, on February 15, 2003 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 Bond 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 Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full. Notwithstanding the foregoing, during any period in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, any payment to the securities depository, or its nominee or registered assigns, shall be made in accordance with existing arrangements between the County and the securities depository.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at JPMorgan Chase Bank, which is the "Paying Agent/Registrar" for this Bond at their office in Dallas, Texas (the "Designated Payment/Transfer Office"). The payment of interest on this Bond 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 Bond (the "Bond 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 close of business as of 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 Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

DURING ANY PERIOD in which ownership of the Bonds is determined only by a book entry at a securities depository for the Bonds, if fewer than all of the Bonds of the same maturity and bearing the same interest rate are to be redeemed, the particular Bonds of such maturity and bearing such interest rate shall be selected in accordance with the arrangements between the County and the securities depository.

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

IF THE DATE for the payment of the principal of or interest on this Bond 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 BOND is one of a Series of Bonds dated May 15, 2002, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of **\$122,785,000 FOR THE PURPOSE OF CONSTRUCTION, ACQUISITION BY PURCHASE, MAINTENANCE AND OPERATION OF MACADAMIZED, GRAVELED OR PAVED ROADS, OR IN AID THEREOF, WITHIN WILLIAMSON COUNTY.**

ON FEBRUARY 15, 2012, OR ON ANY DATE THEREAFTER, the Bonds maturing on and after February 15, 2013 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 Bonds, 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 Bonds, or portions thereof within such maturity to be redeemed (provided that a portion of a Bond may be redeemed only in integral multiples of \$5,000 of principal amount).

THE BONDS MATURING ON FEBRUARY 15, 2027 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.

Bonds Maturing February 15, 2027	
Redemption Date	Principal Amount
February 15, 2026	\$8,945,000
February 15, 2027*	9,425,000*

*Final Maturity

THE PRINCIPAL AMOUNT of the Term Bonds required to be redeemed pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the County by the principal amount of any Term Bonds of the stated maturity which, at least 50 days prior to a mandatory redemption date, (1) shall have been acquired by the County, at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchase and canceled by the Paying Agent/Registrar at the request of the County with monies in the Interest and Sinking Fund at a price not exceeding the principal amount of the Term Bonds 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 Bonds 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 Bond 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 Bonds or portions thereof for which such payment is made, all as provided above. The Bonds 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 Bond shall be redeemed, a substitute Bond or Bonds 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 Bond Order.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Order, this Bond 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 Bonds, 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 Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond 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

Bond or any portion or portions hereof in any integral multiple of \$5,000 to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond 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 Bond 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 Bond 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 Bond 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 Bond.

WHENEVER the beneficial ownership of this Bond is determined by a book entry at a securities depository for the Bonds, the foregoing requirements of holding, delivering or transferring this Bond shall be modified to require the appropriate person or entity to meet the requirements of the securities depository as to registering or transferring the book entry to produce the same effect.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the County, resigns, or otherwise ceases to act as such, the County has covenanted in the Bond 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 Bonds.

IT IS HEREBY certified, recited and covenanted that this Bond 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 Bond have been performed, existed and been done in accordance with law; that this Bond 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 Bond, 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, without legal limit as to rate or amount.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Bond Order, agrees to be bound by such terms and provisions, acknowledges that the Bond 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 Bond and the Bond Order constitute a contract between each Registered Owner hereof and the County.

IN WITNESS WHEREOF, the County has caused this Bond 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 County Treasurer and has caused the official seal of the County to be duly impressed, or placed in facsimile, on this Bond.

Nancy E. Rister
County Clerk

John C. Daifler 5-28-02
County Judge

Lucian L. Wood
County Treasurer



(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

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

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds or a portion of a bond or bonds 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:

JPMORGAN CHASE BANK
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 Bond and all rights thereunder, and hereby irrevocably constitutes and appoints
_____, attorney, to register the transfer of the within
Bond 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
Bond 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 Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this Bond has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

INSERTIONS FOR THE INITIAL BOND

The initial Bond shall be in the form set forth in this Section, except that:

A. immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO." shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

"ON THE MATURITY DATE SPECIFIED ABOVE, Williamson County, Texas (the "County"), being a political subdivision, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on February 15 in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Years</u>	<u>Principal Installments</u>	<u>Interest Rates</u>
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(Information from Sections 2 and 3 to be inserted)

The County promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from May 15, 2002 at the respective Interest Rate per annum specified above. Interest is payable on February 15, 2003 and semiannually on each August 15 and February 15 thereafter to the date of payment of the principal installment specified above; except, that if this Bond 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 Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

C. The initial Bond shall be numbered "T-1."

Section 6. 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 Bonds. All ad valorem taxes levied and collected for and on account of said Bonds shall be deposited, as collected, to the credit of said Interest and Sinking Fund. During each year while any of said Bonds 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 Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of said Bonds as such principal matures (but never less than 2% of the original amount of said Bonds 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 Bonds 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 Bonds, as such interest comes due and such principal matures, are hereby pledged for such payment. Accrued interest on the Bonds shall be deposited in the Interest and Sinking Fund.

(b) Project Fund. The Series 2002 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 Bonds, including the premium but excluding 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 Bonds will be used as soon as practicable for the purposes for which the Bonds 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.

(f) Perfection. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the ad valorem taxes granted by the County under this Section, and is therefore valid, effective, and perfected. If Texas law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the ad valorem taxes granted by the County under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Owners of the Bonds the perfection of the security interest in said pledge, the County agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 7. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsection (d) of this Section 7, when payment of the principal of such Bond, 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 Bonds shall have become due and payable or (3) any combination of (1) and (2). At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond 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 Bond as aforesaid when proper notice of redemption of such Bonds 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 Bond 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 Bond and premium, if any, and interest thereon, shall be applied to and used solely for the payment of the particular Bonds 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 Bonds and such Bonds 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 Bond affected thereby.

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

As used in this section, Defeasance 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 Bonds 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 Bonds, 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 8. DAMAGED, MUTILATED, LOST, STOLEN OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen or destroyed, the Paying Agent/Registrar shall cause to be printed, executed and delivered, a new Bond of the same principal amount, maturity and interest rate, as the damaged, mutilated, lost, stolen or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft or destruction of a Bond, the Registered Owner applying for a replacement Bond 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 Bond, 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 Bond, as the case may be. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this section, in the event any such Bond 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 Bond, the County may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this section.

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

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter D of Texas Government Code, Chapter 1201, this Section 8 of this Order shall constitute authority for the issuance of any such replacement Bond 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 Bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Order for Bonds issued in conversion and exchange for other Bonds.

Section 9. CUSTODY, APPROVAL AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION; CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The County Judge is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds 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 Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Bond attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in

facsimile, on such Bond. 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 Bonds 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 Bonds. In addition, if bond insurance is obtained, the Bonds may bear an appropriate legend as provided by the insurer.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The County covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds 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:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds 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 Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds 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;

(3) 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 Bonds (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;

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

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

(6) to refrain from using any portion of the proceeds of the Bonds, 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 Bonds, other than investment property acquired with --

(A) proceeds of the Bonds invested for a reasonable temporary period of 3 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 Bonds are issued,

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

(C) 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 Bonds;

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

(8) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) 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 Bonds 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.

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the County for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The County understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. 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 Bonds, 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 Bonds 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 Bonds, 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 Bonds under section 103 of the Code. In furtherance of such intention, the County hereby authorizes and directs the Superintendent to execute any documents, certificates or reports required by the Code and to 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 Bonds.

(d) 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 in accordance with the requirements of the Internal Revenue Code. The County recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the County recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The County agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. 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.

(e) 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 Bonds. 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 11. SALE OF BONDS. The Bonds are hereby sold and shall be delivered to JPMORGAN and the other underwriters listed therein, (the "Underwriters") in accordance with the terms and provisions of a Bond Purchase Agreement in substantially the form presented to the Commissioners Court at the meeting to consider this Order which the County Judge and County Treasurer of the County are hereby authorized to execute and deliver and which the County Clerk of the County is hereby authorized to attest. The County will initially deliver to the Underwriters the Bonds authorized under this Order. The Bonds shall initially be registered in the name of JPMORGAN.

Section 12. 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 Bonds 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 Bonds, 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 13. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other Bond proceeds for the purpose for which the Bonds 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 Bond proceeds which are required to be rebated to the United States of America pursuant to Section 10 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this section.

Section 14. APPROVAL OF OFFICIAL STATEMENT. The County hereby approves the form and content of the Official Statement relating to the Bonds and any addenda, supplement or amendment thereto, and approves the distribution of such Official Statement in the reoffering of the Bonds by the Initial Purchaser in final form, with such changes therein or additions thereto as the officer executing the same may deem advisable, such determination to be conclusively evidenced by his execution thereof. The distribution and use of the Preliminary Official Statement dated April 17, 2001 prior to the date hereof is confirmed, approved and ratified. The Commissioners Court hereby finds and determines that the Preliminary Official Statement and final Official Statement were "deemed final" (as that term is defined in 17 CFR Section 240.15c(2)-12) as of their respective dates.

Section 15. APPROVAL OF PAYING AGENT/REGISTRAR AGREEMENT. Attached hereto as Exhibit "B" is a substantially final form of Paying Agent/Registrar Agreement. The County Judge is hereby authorized to amend, complete or modify such agreement as necessary and are further authorized to execute such agreement and the County Clerk is hereby authorized to attest such agreement.

Section 16. CONTINUING DISCLOSURE UNDERTAKING. (a) Annual Reports. The County shall provide annually to each NRMSIR and any SID, within six months after the end of each

fiscal year, financial information and operating data with respect to the County of the general type described in Exhibit "C" hereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit "C" 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 each NRMSIR and any SID, when and if the audit report on such statements become available.

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

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

- A. Principal and interest payment delinquencies;
- B. Non-payment related defaults;
- C. Unscheduled draws on debt service reserves reflecting financial difficulties;
- D. Unscheduled draws on credit enhancements reflecting financial difficulties;
- E. Substitution of credit or liquidity providers, or their failure to perform;
- F. Adverse tax opinions or events affecting the tax-exempt status of the Bonds;
- G. Modifications to rights of holders of the Bonds;
- H. Bond calls;
- I. Defeasances;
- J. Release, substitution or sale of property securing repayment of the Bonds; and

K. Rating changes.

The County shall notify any SID and either each NRMSIR or the MSRB, in a timely manner, of any failure by the County to provide financial information or operating data in accordance with paragraph (a) of this Section 16 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 Bonds within the meaning of the Rule, except that the County in any event will give notice of any deposit made in accordance with Section 7 of this Order that causes Bonds no longer to be outstanding.

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

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

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

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

The provisions of this section may be amended by the County from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law or a change in the identity, nature, status or type of operations of the County, but only if (1) the provisions of this section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either

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(a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the County (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the Holders and beneficial owners of the Bonds. If the County so amends the provisions of this section, it shall include with any amended financial information or operating data next provided in accordance with 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 Bonds in the primary offering of the Bonds.

(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 17. AMENDMENT OF ORDER. The County hereby reserves the right to amend this Order subject to the following terms and conditions, to-wit:

(a) The County may from time to time, without the consent of any holder, except as otherwise required by paragraph (b) below, amend or supplement this Order in order to (i) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of this Order and that shall not materially adversely affect the interests of the holders, (v) qualify this Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (iv) make such other provisions in regard to matters or questions arising under this Order as shall not

be inconsistent with the provisions of this Order and that shall not in the opinion of the County's Bond Counsel materially adversely affect the interests of the holders.

(b) Except as provided in paragraph (a) above, the holders of Bonds aggregating in principal amount 51% of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the County; provided, however, that without the consent of 100% of the holders in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of any series of Bonds necessary for consent to such amendment.

(c) If at any time the County shall desire to amend this Order under this Section, the County shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment and cause notice of the proposed amendment to be published at least once in a financial publication published in The County of New York, New York or in the State of Texas. Such published notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the office of the County for inspection by all holders of such Bonds.

(d) Whenever at any time within one year from the date of publication of such notice the County shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment, which instrument or instruments shall refer to the proposed amendment and that shall specifically consent to and approve such amendment, the County may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Order pursuant to the provisions of this Section, this Order shall be deemed to be modified and amended in accordance with such amendatory Order, and the respective rights, duties, and obligations of the County and all holders of such affected

Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of the publication of said notice by the holder who gave such consent, or by a successor in title, by filing notice with the County, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

Section 18. NO RECOURSE AGAINST COUNTY OFFICIALS. No recourse shall be had for the payment of principal of or interest on the Bonds or for any claim based thereon or on this Order against any official of the County or any person executing any Bonds.

Section 19. FURTHER ACTIONS. The officers and employees of the County are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the County all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Bonds, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, the Bond Purchase Agreement and the Official Statement. In addition, prior to the initial delivery of the Bonds, the County Judge, the County Clerk, the County Treasurer, the Financial Advisor, the County Attorney and Bond Counsel are hereby authorized and directed to approve any changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order and as described in the Official Statement or (ii) obtain the approval of the Bonds by the Texas Attorney General's office.

In case any officer of the County whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 20. INTERPRETATIONS. All terms defined herein and all pronouns used in this Order shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the articles and sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof. This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the lien on and pledge to secure the payment of the Bonds.

Section 21. INTERESTED PARTIES. Nothing in this Order expressed or implied is intended or shall be construed to confer upon, or to give to, any person or entity, other than the County and the registered owners of the Bonds, any right, remedy or claim under or by reason of this Order or any covenant, condition or stipulation hereof, and all covenants, stipulations, promises and agreements in this Order contained by and on behalf of the County shall be for the sole and exclusive benefit of the County and the registered owners of the Bonds.

Section 22. INCORPORATION OF RECITALS. The County hereby finds that the statements set forth in the recitals of this Order are true and correct, and the County hereby incorporates such recitals as a part of this Order.

Section 23. INCONSISTENT PROVISIONS. All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provisions of this Order are hereby repealed to the extent of such conflict and the provisions of this Order shall be and remain controlling as to the matters contained herein.

Section 24. 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.

Section 24. REPEALER. All orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

EXHIBIT A
BOND PURCHASE AGREEMENT

EXHIBIT B
PAYING AGENT/REGISTRAR AGREEMENT

EXHIBIT C**DESCRIPTION OF ANNUAL FINANCIAL INFORMATION**

The following information is referred to in Section 16 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 35

Consideration and action with respect to “Order Authorizing the Issuance of Williamson County, Texas Limited Tax General Obligation Bonds, Series 2002A; Levying an Ad Valorem Tax in Support of the Bonds; Approving a Paying Agent/Registrar Agreement, an Official Statement and a Bond Purchase Agreement; and Authorizing Other Matters Relating to the Bonds.”

Moved: **Judge Doerfler**

Seconded: **Commissioner Boatright**

Motion: To approve “Order Authorizing the Issuance of Williamson County, Texas Limited Tax General Obligation Bonds, Series 2002A; Levying an Ad Valorem Tax in Support of the Bonds; Approving a Paying Agent/Registrar Agreement, an Official Statement and a Bond Purchase Agreement; and Authorizing Other Matters Relating to the Bonds.”

Vote: **5 - 0**

< Attachment >