

**ASSIGNMENT OF INTEREST AND  
TRANSFER/SALE OF TAX NOTE**

**Defined Terms**

**Bond Counsel:**

Montalvo & Ramirez  
900 E. Main Street  
McAllen, Texas 78501

**Issuer:**

Hidalgo County, Texas  
Attn: County Judge  
100 E. Cano, 2<sup>nd</sup> Floor  
Edinburg, Texas 78539

**Note Holder:**

SunTrust Equipment Finance & Leasing Corp.  
Attn: D. S. Keough  
300 East Joppa Road, 7<sup>th</sup> Floor  
Towson, Maryland 21286

**Note:**

\$13,195,000 Hidalgo County, Texas Tax Note, Series 2007 dated October 1, 2007 and sold to the Original Purchaser

**Original Purchaser:**

Capital One Public Funding, LLC, formerly known as All Points Public Funding, LLC  
Attn: Jonathan A. Lewis  
275 Broadhollow Road  
Melville, New York 11747

**Parties:**

The Issuer, Note Holder and Original Purchaser shall collectively be known as the Parties.

**Paying Agent and Registrar:**

Texas State Bank  
3900 North 10<sup>th</sup> Street  
McAllen, Texas 78501

### **Sale and Purchase of Note; Consent**

By execution Assignment of Interest and Transfer/Sale of Tax Note (the "Agreement") made on this 26<sup>th</sup> day of June, 2008, the Note Holder has agreed to purchase the above-referenced Note from the Original Purchaser. The Original Purchaser hereby assigns all of its right, title and interest in the Note to the Note Holder. The Issuer consents to the sale, assignment and transfer of the Original Purchaser's right, title and interest in Note to the Note Holder. In furtherance of the intent of the Parties, the Parties additionally represent warrant and covenant as follows:

### **General Representations, Warranties and Covenants of the Parties**

The Parties represent, warrant, agree and covenant as follows:

1. The Note was duly and validly issued, executed and delivered by the Issuer on October 1, 2007 pursuant to a legally valid and duly authorized Order dated September 4, 2007 (the "Order"). All of the representation, warranties and covenants set forth in the Order, Note, and other Closing Documents remain true and correct as to all material terms, and the Note, Order and all other Closing Documents have not been amended, modified, or superceded, unless as expressly set forth herein.

2. Collectively, the Note, Order, and other related Closing Documents constitute the legal, valid and binding obligation of the Issuer, enforceable in accordance with the terms thereof and subject to the general rules affecting enforceability, including but not limited to bankruptcy, moratorium, insolvency, and other equitable principles affecting the validity of documents.

3. Pursuant to the Note and Order and Closing Documents, the Parties understand and agree that the primary security for the Note is a pledge of the Issuer's ad valorem taxes (within the limits authorized by law), a covenant to levy ad valorem taxes in an amount sufficient to pay principal and interest due under the Note, the establishment of a Debt Service Fund, and a general covenant to pay and perform all terms and conditions of the Order and Note.

4. The Note is a single term note in the par or principal amount of \$13,195,000 with a final maturity date of August 15, 2010, and bearing interest at the rate of 3.990%.

5. One payment of interest due under the Note was made on February 15, 2008, and no payments of principal under the Note have been made. The remaining annual payments of principal and semi-annual payments of interest in accordance the Payment Schedule remain in full force and effect and are agreed to be as follows:

Payment Date	Principal Due	Interest Due	Total Payment Due
8-15-08	4,270,000	263,240.25	4,533,240.25
2-15-09	0.00	178,053.75	178,053.75
8-15-09	4,375,000	178,053.75	4,553,053.75
2-15-10	0.00	90,772.50	90,772.50
8-15-10	4,550,000	90,772.50	4,640,772.50

6. The Note is subject to optional early redemption in whole or in part following 30 days prior written notice to the registered owner of the Note, in accordance with the following prepayment premiums:

Call Date	Prepayment Price
On/Before August 15, 2008	102% of Par
August 16, 2008 – August 15, 2009	101% of Par
After August 15, 2009	100% of Par

7. An Internal Revenue Service Form 8038 relating to the Note has been properly filed, fully completed, duly executed, and timely filed with the IRS.

8. The Bank of Texas, in its capacity as Registrar and Paying Agent for the Note shall be ordered and authorized to: (a) list the Note Holder as the Registered Owner and Holder in Due Course of the Note, (b) make payments of principal and interest directly to the Note Holder via wire transfer in accordance with the notice to the Paying Agent and Registrar of the same, and (c) provide the Note Holder with a fully executed, authenticated and registered Note in the name of the Note Holder.

9. The Bond Counsel for the Note issuance shall be instructed and directed to provide the Note Holder with a reliance letter in a form as reasonably requested by the Note Holder.

10. The Parties specifically agree that the obligations, representations, warranties made by the Original Purchaser in the Purchase Agreement and Closing Documents or any other agreement between the Parties are not assigned to or assumed by the Note Holder and the performance of any closing conditions or other obligations, whether such obligation of performance arise before or after the date on which the Note is sold, assigned and transferred to the Note Holder.

**Representations, Warranties and Covenants of the Original Purchaser**

The Original Purchaser represents, warrants, agrees and covenants as follows:

11. Original Purchaser is a limited liability company duly organized, validly existing, and in good standing under the laws of the State of New York, with the corporate power and authority to enter into and perform its obligations under this Agreement and to effectuate the intent of this Agreement.

12. Original Purchaser has good and marketable title to the Note free and clear of any liens and/or encumbrances. No fractional or other interest in the Note has been sold, transferred, assigned, or pledged by the Original Purchaser, and Original Purchaser has surrendered its original definitive and final Note to the Paying Agent and Registrar, and, upon payment of the Purchase Price, as defined elsewhere between the Original Purchaser and Note Holder, all of the Original Purchaser's right, title, and interest in the Note will vest immediately in the Note Holder, subject to no lien, encumbrance, or claim adverse to the Note Holder.

13. Original Purchaser, by its execution hereto, acknowledges and confirms receipt of the Purchase Price.

**Note Holder's Representations, Warranties and Covenants**

The Note Holder acknowledges and represents to the Issuer, Bond Counsel and Paying Agent, and the Note Holder understands the foregoing will rely upon its representations and warranties, as follows:

14. the Note Holder has sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal and other tax-exempt obligations, to be able to evaluate the risks and merits of the investment represented by the purchase of the Note;

15. the Note Holder has made its own independent and satisfactory inquiry of the financial condition of the Issuer, including inquiry into financial statements and other information relating to the financial condition of the Issuer to which a reasonable investor would attach significance in making investment decisions, and of any other matters deemed to be relevant to a reasonably informed decision to purchase the Note;

16. the Note Holder has had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the Issuer and the Note, all so that as a reasonable investor the Note Holder has been able to make a reasonably informed decision to purchase the Note;

17. the Note Holder is primarily purchasing the Note for investment purposes only (and not as an "underwriter" or "Participating Underwriter" as defined in Securities and Exchange Commission Rule 15c2-12, as amended, replaced or supplemented) and does not

presently intend to transfer, otherwise distribute or sell the Note to the general public;

18. if the Note is subsequently sold, transferred or disposed of by the Note Holder, such sale, transfer or disposition will be made in accordance with applicable federal and state securities laws and regulations, if and to the extent applicable, or upon the condition that any subsequent purchaser, holder or transferee that is a qualified institutional or accredited investor and that also covenants and agrees to the Issuer that the Note is being purchased or otherwise acquired for investment purposes only and without present intention to sell or distribute the Note to the general public;

19. the Note Holder understands that the Note (i) is not being registered under the Securities Act of 1933, as amended, and is not being registered or otherwise qualified for sale under the "blue sky" laws and regulations of any state, (ii) will not be listed on any stock or other securities exchange, (iii) will carry no rating from any rating service, and (iv) will not be readily marketable.

20. Note Holder acknowledges that it has relied upon the opinion of Montalvo & Ramirez only for the legal conclusions expressed therein relating to the validity of the Notes and the exclusion of the interest thereon from gross income for federal income tax purposes and understands that the engagement of said attorneys was only to render the aforesaid opinion and not to prepare or pass upon any official statement, prospectus, offering circular, or other documents used in the offer or sale of the Notes or to make any investigations or render any other assistance incident to the preparation of such documents or to the offer or sale of the Notes.

21. Note Holder acknowledges that it understands the meaning and legal consequences of its representations, warranties and agreements contained in this letter; that the parties to whom this letter is addressed are relying on the accuracy of the representations and warranties by Note Holder and the performance by Note Holder of its agreements contained herein and that the Note Holder would not be permitted to purchase the Notes if any such representation or warranty was known to be false or if any such agreement would not be complied with.

#### Miscellaneous

22. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

23. This Agreement shall be governed under the laws of the State of Texas.

24. All notices and other communications sent pursuant hereto shall be in writing, sent by certified mail or nationally recognized courier service (return receipt or delivery confirmation requested), addressed to the other party at the address indicated in definition section hereof or at such other address as such party may from time to time designate in writing to the other parties to this Agreement.


25. Note Holder's rights, title and ownership of the Note may be assigned and transferred and reassigned and transferred in whole or in part, without the consent of the Issuer but as otherwise specified in the Order and Note.

26. This Agreement is solely for the benefit of and may be relied upon and enforced solely by the Parties or by any other entity which has been given an express representation and/or warranty herein, and shall be binding upon the Parties or any entity succeeding a Party's existence.

SUNTRUST EQUIPMENT FINANCE &  
LEASING CORP.

CAPITAL ONE PUBLIC FUNDING, LLC

By: \_\_\_\_\_  
Title: D. S. Keough, Vice President

By:   
Title: Jonathan A. Lewis, Senior Vice  
President

*Agreed, consented to and accepted by:*  
HIDALGO COUNTY, TEXAS

By: \_\_\_\_\_  
Title: Juan D. Salinas, III, County Judge