

Honorable County Judge and Commissioners Court
Williamson County, Texas
710 Main Street, Suite 101
Georgetown, Texas 78626

McCall, Parkhurst & Horton L.L.P.
600 Congress Avenue, Suite 1800
Austin, Texas 78701

First Southwest Company
300 West 6th Street, Suite 1940
Austin, Texas 78701

Re: Williamson County, Texas Limited Tax Note, Series 2008 (the "Note")

The undersigned, _____ (the "Bank"), being a financial institution, to-wit: a bank within the definition of section 3(a)(2) of the Securities Act of 1933, engaged in the business of purchasing securities such as the Note described above (the "Note"), to be issued by Williamson County, Texas (the "County") for the purpose of paying contractual obligations incurred or to be incurred for (i) the construction of a public work; (ii) the purchase of materials, supplies, equipment, machinery, buildings, lands and rights-of-way for the County's authorized needs and purposes; and (iii) professional services including fiscal, engineering, architectural and legal fees and other such costs incurred in connection therewith including the costs of issuing the Note.

The Note is to be issued under the authority of Chapter 1431, Texas Government Code, as amended. The Bank understands that the Note will be secured by a levy of an annual ad valorem tax, within the limits prescribed by law, upon all taxable property within the County.

The Bank further understands that the Note will be approved by the Attorney General of the State of Texas, and will be delivered in the form of one fully-registered Note in the denomination of the aggregate principal amount thereof, which will be made payable to the order of the Bank.

In connection with the Note, the Bank agrees as follows:

- A. The Bank will purchase the Note, which shall be delivered to the Bank on or about September 29, 2008. The interest rate on the Note shall be _____% per annum. The first interest payment date for the Note shall be February 15, 2009, with interest payable on each February 15 and August 15 thereafter until maturity or prior

redemption. Principal of the Note will be payable in annual installments, or upon redemption at the option of the Issuer, under the terms and conditions described below. The purchase price for the Note shall be the principal amount thereof. Interest on the Note will accrue from the date of initial delivery. Annual principal installment payments shall be made to the registered owner of the Note on August 15 of each the years, and in the amounts, shown below:

<u>Year</u>	<u>Principal Amount</u>
2009	
2010	
2011	
2012	
2013	
2014	
2015	

- B. On or after _____, 20__ the Note maturing on and after _____, 20__ may be redeemed in whole, but not in part, on the first business day of each month thereafter, with thirty (30) days prior written notice to the Owners by payment of an amount equal to the principal then outstanding plus accrued interest thereon to the date of redemption.
- C. The Note will be fully registered as to principal and interest, and the Bank shall serve as the initial paying agent and registrar for the Note without charge to the County, except for the reimbursement of any reasonable expenditures incurred by the Bank in the capacity of paying agent and registrar.
- D. In regard to the offering and sale of the Note, the Bank acknowledges that no prospectus or other offering document has been prepared; however, the County has furnished the Bank with all information necessary and requested by the Bank to permit the Bank to make an informed decision concerning its purchase of the Note, and the Bank has made such inspections and investigations as it has deemed necessary to determine the investment quality of the Note and to assess all risk factors associated with the purchase and ownership of the Note. The Bank hereby acknowledges and represents that it is familiar with the financial condition of the County and the ability of the County to timely pay the principal of and interest on the Note. The Bank is not relying on First Southwest Company or McCall, Parkhurst & Horton L.L.P., the County's Bond Counsel, as to the completeness or accuracy of any financial information provided to the Bank by the County in connection with its determination to purchase the Note.
- E. The Note is being purchased by the Bank for the account of the Bank (and not on behalf of another), and the Bank has no present intention of reselling the Note or dividing its interest therein, either currently or after the passage of a fixed or determinable period of time or upon the occurrence or nonoccurrence of any

predetermined event or circumstance; provided, however that the Bank reserves the right to sell, pledge, transfer, convey, hypothecate, participate interests in, or dispose of the Note at some future date, but only to persons who have been provided sufficient information with which to make an informed decision to invest in the Note. The Note may be transferred and registered in the name of the new registered owner in whole but not in part.

- F. Delivery of the Note to the Bank (the "Closing") shall be made at the Bank on or about September 29, 2008, it being understood that this agreement may be extended by mutual consent of the Bank and the Issuer.
- G. The Bank acknowledges that the Note will not be rated by any securities rating service. In addition, the Bank acknowledges that the Note will not be listed on any securities exchange. Further, no trading market now exists in the Note, and none may exist in the future. Accordingly, the Bank understands that it may need to bear the risks of this purchase for an indefinite time, since any sale prior to the maturity for the Note may not be possible or may be at a price below that which the Bank is paying for the Note.
- H. It is understood and agreed that the Bank is buying the Note as evidence of a private placement by the County to the Bank and a negotiated bank loan. The Note is exempt from any federal securities registration requirements by virtue of Section 3(a)(2) of the Securities Act of 1933. The offering of the Note is exempt from the provisions of Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"); consequently the County has not undertaken to make any on-going disclosures for the benefit of the registered owner of the Note in accordance with the Rule.
- I. The County will designate the Note as a "qualified tax-exempt obligation" within the meaning of section 265(b) of the Internal Revenue Code. In furtherance of that designation, in the Order authorizing the Note, the County will covenant to take such action which would assure or to refrain from such action which would adversely affect the treatment of the Note as a "qualified tax-exempt obligation."
- J. This agreement shall be terminated by delivery of a \$10,000,000 principal amount Note to the Bank at the date of Closing, provided that the representations of the Bank in D. above, shall survive the termination hereof. As a condition to the purchase of the Note, the Bank shall receive at the Closing an opinion of Bond Counsel in substantially the form attached hereto as Exhibit A. In addition, the Bank shall receive, at the Closing, an opinion of the Attorney General of the State of Texas to the effect that the Note has been lawfully issued by the County and is a valid and binding obligation of the County under applicable laws of the State of Texas.

Respectfully submitted,

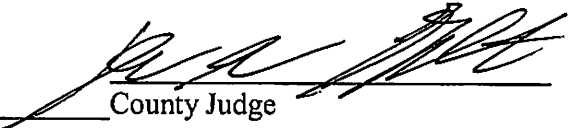
By: _____

Name: _____

Title: _____

ACCEPTANCE

ACCEPTED pursuant to an order adopted by the Commissioners Court of Williamson County, Texas, this September 9, 2008.



County Judge

Williamson County, Texas

Exhibit A

Form of Opinion of Bond Counsel

(date)

Honorable County Judge and Commissioners Court
Williamson County, Texas
710 Main Street, Suite 101
Georgetown, Texas 78626

Re: \$10,000,000 Williamson County, Texas, Limited Tax Note, Series 2008

As Bond Counsel for Williamson County, Texas (the "County") of the note described above (the "Note"), we have examined into the legality and validity of the Note, which bears interest from the dates specified in the text of the Note, until maturity or redemption, at the rates and payable on the dates specified in the text of the Note and in the Order of the County adopted on September 9, 2008 authorizing the issuance of the Note (the "Order").

WE HAVE EXAMINED the Constitution and laws of the State of Texas, and certified copies of the proceedings of the County, and other documents authorizing and relating to the issuance of the Note, including the executed Note (Note Number T-1).

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Note has been authorized, issued and delivered in accordance with law; and that said Note, except the enforceability thereof as may be limited by laws relating to bankruptcy, insolvency, reorganization, moratorium, liquidation and other similar laws now or hereafter enacted related to creditors' rights generally or by general principle of equity which permit the exercise of judicial discretion, the Note constitute valid and legally binding obligations of the County; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Note has been levied and pledged for such purpose, within the limit prescribed by law, all as provided in the Order.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Note is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings, and court decisions existing on the date of this opinion. We are further of the opinion that the Note is not a "specified private activity bond" and that, accordingly, interest on the Note will not be included as an individual or corporate alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on certain representations, the accuracy of

which we have not independently verified, and assume compliance by the County with certain covenants, regarding the use and investment of the proceeds of the Note and the use of the property financed therewith. We call your attention to the fact that if such representations are determined to be inaccurate or upon a failure by the County to comply with such covenants, interest on the Note may become includable in gross income retroactively to the date of issuance of the County.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue Service (the "Service"); rather, such opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given whether or not the Service will commence an audit of the Note. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the County as the taxpayer. We observe that the County has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, may result in the treatment of interest on the Note as includable in gross income for federal income tax purposes.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Note. In particular, but not by way of limitation, we express no opinion with respect to the federal, state or local tax consequences arising from the enactment of any pending or future legislation.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Note will be included in a corporation's alternative minimum taxable income for purposes of determining the alternative minimum tax imposed on corporations by Section 55 of the Code.

OUR SOLE ENGAGEMENT in connection with the issuance of the Note is as Bond Counsel for the County, and, in that capacity, we have been engaged by the County for the sole purpose of rendering an opinion with respect to the legality and validity of the Note under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Note for federal income tax purposes, and for no other reason or purpose. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the County, or the disclosure thereof in connection with the sale of the Note, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Note and have relied solely on certificates executed by officials of the County as to the current outstanding indebtedness of the County, the assessed valuation of taxable property within the County and the sufficiency of the pledged tax revenues of the County.

THE FOREGOING OPINIONS represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result.

Respectfully,