

## **PAYING AGENT/REGISTRAR AGREEMENT**

**THIS AGREEMENT** dated as of September 1, 2008 ("Agreement"), by and between Williamson County, Texas ("County"), and \_\_\_\_\_, a banking association duly organized and existing under the laws of the United States of America ("Bank").

### **RECITALS**

**WHEREAS**, the County has duly authorized and provided for the issuance of its Williamson County, Texas Limited Tax Note, Series 2008 in the aggregate principal amount of \$10,000,000 (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon; and

**WHEREAS**, the Securities are scheduled to be delivered to the underwriters thereof on or about September 29, 2008; and

**WHEREAS**, the County 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 County 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 respective "Orders" (hereinafter defined).

The County 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 County 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 respective "Orders."

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 County hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto.

In addition, the County 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 located at \_\_\_\_\_, Texas. The Bank will notify the Issuer in writing of any change in location of the Bank Office.

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

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

"County Request" and "County Order" means a written request or order signed in the name of the County by the County Judge, County Clerk or County Auditor of the Commissioners Court of the County, any one or more of the officials, delivered to the Bank.

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

"Order" or "Orders" means the order of the governing body of the County pursuant to which the Securities are issued, certified by the Secretary of the Board of Directors 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 respective Orders).

"Redemption Date" when used with respect to any Bond to be redeemed means the date fixed for such redemption pursuant to the terms of the respective 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 respective Orders on which the principal of a Security is scheduled to be due and payable.

**Section 2.02. OTHER DEFINITIONS.** The terms "Bank," "County" and "Securities" and "Security" 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 County, pay on behalf of the County 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 County, pay on behalf of the County 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 County hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the respective 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 County 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 County and subject to such reasonable regulations as the County 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 Securities 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 cancelled 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. CERTIFICATES.** The County 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 County at any time requested by the County, upon payment of the required fee, a copy of the information contained in the Security Register. The County 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 County, 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 County so that the County may contest the court order or such release or disclosure of the contents of the Security Register.

**Section 4.05. RETURN OF CANCELLED CERTIFICATES.** The Bank will, at such reasonable intervals as it determines, surrender to the County, Securities in lieu of which or in exchange for which other Securities have been issued or which have been paid.

**Section 4.06. MUTILATED, DESTROYED, LOST OR STOLEN SECURITIES.** The County hereby instructs the Bank, subject to the applicable provisions of the respective Orders, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated or destroyed, lost or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (1) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the County and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated or destroyed, lost or stolen.

**Section 4.07. TRANSACTION INFORMATION TO COUNTY.** The Bank will, within a reasonable time after receipt of written request from the County, furnish the County information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost or stolen Securities pursuant to Section 4.06.

## **ARTICLE FIVE**

### **THE BANK**

**Section 5.01. DUTIES OF BANK.** The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

**Section 5.02. RELIANCE ON DOCUMENTS, ETC.** (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security or other paper or document supplied by County.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

**Section 5.03. RECITALS OF COUNTY.** The recitals contained herein with respect to the County and in the Securities shall be taken as the statements of the County, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the County, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

**Section 5.04. MAY HOLD SECURITIES.** The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the County with the same rights it would have if it were not the Paying Agent/Registrar or any other agent.

**Section 5.05. MONIES HELD BY BANK.** The Bank shall deposit any monies received from the County into a trust account to be held in a paying agent capacity for the payment of the Securities, with such monies in the account that exceed the deposit insurance available to the County by the Federal Deposit Insurance Corporation to be fully collateralized with securities or obligations that are eligible under the laws of the State of Texas to secure and be pledged as collateral for trust accounts, until the principal and interest on such securities have been presented for payment and paid to the owner thereof. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

Subject to the Unclaimed Property Laws of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after the final maturity of the Security has become due and payable will be paid by the Bank to the County if the County so elects, and the Holder of such Security shall hereafter look only to the County for payment thereof, and all liability of the Bank with respect to such monies shall thereupon cease. If the County does not elect, the Bank is directed to report and dispose of the funds in compliance with Title Six of the Texas Property Code, as amended.

**Section 5.06. INDEMNIFICATION.** To the extent permitted by law, the County agrees to indemnify the Bank for, and hold it harmless against, any loss, liability or expense incurred without negligence or bad faith on the Bank's part, arising out of or in connection with the Bank's acceptance or administration of its duties hereunder, including the cost and expense incurred by the Bank in defending against any claim or from liability imposed on the Bank in connection with the Bank's exercise or performance of any of its powers or duties under this Agreement.

**Section 5.07. INTERPLEADER.** The County and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State Court located in the State of Texas and County where either the Bank Office or the administrative offices of the County is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The County and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

**Section 5.08. DEPOSITORY TRUST COMPANY SERVICES.** It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," effective August 1, 1987, which establishes requirements for securities to be eligible for such type

depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time and notification of redemptions and calls.

Attached hereto is a copy of the Letter of Representations with The Depository Trust Company.

## **ARTICLE SIX**

### **MISCELLANEOUS PROVISIONS**

**Section 6.01. AMENDMENT.** This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

**Section 6.02. ASSIGNMENT.** This Agreement may not be assigned by either party without the prior written consent of the other.

**Section 6.03. NOTICES.** Any request, demand, authorization, direction, notice, consent, waiver or other document provided or permitted hereby to be given or furnished to the County or the Bank shall be mailed or delivered to the County or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

**Section 6.04. EFFECT OF HEADINGS.** The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

**Section 6.05. SUCCESSORS AND ASSIGNS.** All covenants and agreements herein by the County shall bind its successors and assigns, whether so expressed or not.

**Section 6.06. SEVERABILITY.** In case any provision herein shall be invalid, illegal or unenforceable, the validity, legality and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

**Section 6.07. BENEFITS OF AGREEMENT.** Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy or claim hereunder.

**Section 6.08. ENTIRE AGREEMENT.** This Agreement and the respective Orders constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the respective Orders, the respective Orders shall govern.

**Section 6.09. COUNTERPARTS.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.



**Section 6.10. TERMINATION.** This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days' written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the County and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and County mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the County.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

**Section 6.11. GOVERNING LAW.** This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

**IN WITNESS WHEREOF**, the parties hereto have executed this Agreement as of the day and year first above written.

\_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

\_\_\_\_\_, Texas 7 \_\_\_\_\_

**ATTEST:**

By: \_\_\_\_\_

Title: \_\_\_\_\_

[BANK SEAL]

**WILLIAMSON COUNTY, TEXAS**

By: 

County Judge  
710 Main Street, Suite 101  
Georgetown, Texas 78626

## SCHEDULE A