

**SECOND SUPPLEMENTAL ORDER TO THE
MASTER ORDER ESTABLISHING THE
WILLIAMSON COUNTY, TEXAS
PASS-THROUGH TOLL REVENUE FINANCING PROGRAM**

Adopted February 17, 2009

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TABLE OF CONTENTS

<u>SECTION</u>	<u>PAGE</u>
ARTICLE I	BONDS ISSUED UNDER PASS-THROUGH TOLL REVENUE FINANCING PROGRAM 1
Section 1.01.	DEFINITIONS 1
Section 1.02.	ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT 2
Section 1.03.	SECOND SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY 2
Section 1.04.	LIMITATION OF BENEFITS WITH RESPECT TO THIS SECOND SUPPLEMENT 2
ARTICLE II	BOND AUTHORIZATION AND SPECIFICATIONS 3
Section 2.01.	AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS 3
Section 2.02.	DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS 3
Section 2.03.	PAYMENT OF BONDS; PAYING AGENT/REGISTRAR 6
Section 2.04.	REDEMPTION 7
Section 2.05.	REGISTRATION; TRANSFER; EXCHANGE OF BONDS; PREDECESSOR BONDS; BOOK-ENTRY-ONLY SYSTEM; SUCCESSOR SECURITIES DEPOSITORY; PAYMENTS TO CEDE & CO. 8
Section 2.06.	INITIAL BOND 11
Section 2.07.	FORM OF BONDS 11
ARTICLE III	EXECUTION; REPLACEMENT OF BONDS; AND BOND INSURANCE 12
Section 3.01.	EXECUTION AND REGISTRATION 12
Section 3.02.	CONTROL AND CUSTODY OF BONDS 12
Section 3.03.	PRINTED OPINION 13
Section 3.04.	CUSIP NUMBERS 13
Section 3.05.	MUTILATED, DESTROYED, LOST, AND STOLEN BONDS 13
Section 3.06.	BOND INSURANCE 13

ARTICLE IV	PAYMENTS AND REBATE FUND	14
Section 4.01.	PAYMENTS	14
Section 4.02.	REBATE FUND	14
ARTICLE V	COVENANTS REGARDING TAX EXEMPTION	14
Section 5.01.	COVENANTS REGARDING TAX EXEMPTION	14
Section 5.02.	ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR PROJECT	16
Section 5.03.	DISPOSITION OF PROJECT	17
ARTICLE VI	AMENDMENTS AND MODIFICATIONS	17
Section 6.01.	AMENDMENTS OR MODIFICATIONS WITHOUT CONSENT OF OWNERS OF BONDS	17
Section 6.02.	AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS OF BONDS	18
Section 6.03.	EFFECT OF AMENDMENTS.	19
ARTICLE VII	MISCELLANEOUS	19
Section 7.01.	DISPOSITION OF BOND PROCEEDS AND OTHER FUNDS	19
Section 7.02.	MAILED NOTICES	20
Section 7.03.	DEFEASANCE OF BONDS	20
Section 7.04.	PAYING AGENT/REGISTRAR AGREEMENT	22
Section 7.05.	FURTHER PROCEDURES	22
Section 7.06.	NONPRESENTMENT OF BONDS	22
Section 7.07.	EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS ..	23
Section 7.08.	PARTIAL INVALIDITY	23
Section 7.09.	CONTINUING DISCLOSURE UNDERTAKING	23
Section 7.10.	OFFICIAL STATEMENT	25
Section 7.11.	CREDIT AGREEMENT	25
Section 7.12.	REMEDIES	26
Section 7.13.	RULES OF INTERPRETATION	26
Section 7.14.	INCONSISTENT PROVISIONS	27
Section 7.15.	INTERESTED PARTIES	27
Section 7.16.	SEVERABILITY	27
Section 7.17.	REPEALER	27
Section 7.18.	NO PERSONAL LIABILITY	27
Section 7.19.	PAYMENT OF ATTORNEY GENERAL FEE	27

EXHIBIT A - Definitions

EXHIBIT B - Form of Bonds

**SECOND SUPPLEMENTAL ORDER TO THE
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WILLIAMSON COUNTY, TEXAS
PASS-THROUGH TOLL REVENUE FINANCING PROGRAM**

THE STATE OF TEXAS §

WILLIAMSON COUNTY §

WHEREAS, on August 29, 2006, the Commissioners Court of Williamson County, Texas (the "County"), adopted a "Master Order Establishing Williamson County, Texas Pass-Through Toll Revenue Financing Program" (referred to herein as the "Master Order"); and

WHEREAS, in order to enable the County to provide for the financing of projects authorized by Chapter 1479, Texas Government Code, as amended (the "Enabling Act"), Chapter 1371, Texas Government Code, as amended, and any other applicable provisions of State law, the Master Order establishes a revenue financing program pursuant to which the County can issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security, as defined in the Master Order, and in the sole discretion of the County in any Supplement to the Master Order and to the extent such Security is insufficient to pay the interest and principal payments on the Bonds, a pledge of the County's direct annual ad valorem tax on all taxable property in the County; and

WHEREAS, for such purposes, the County deems it necessary to issue Parity Debt, as hereinafter defined, pursuant to this "Second Supplemental Order to the Master Order establishing Williamson County, Texas Pass-Through Toll Revenue Financing Program" (the "Second Supplement"); and

WHEREAS, the County further finds and determines that all terms and conditions for the issuance of the bonds herein authorized as Parity Debt have been or can be met and satisfied; and

WHEREAS, the bonds authorized to be issued by this Second Supplement are to be issued and delivered pursuant to the Enabling Act, as hereinafter defined, and other applicable State laws.

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

**ARTICLE I
BONDS ISSUED UNDER PASS-THROUGH TOLL
REVENUE FINANCING PROGRAM**

Section 1.01. DEFINITIONS. (a) Definitions. The capitalized terms used herein (except in the FORM OF BONDS set forth in Exhibit "B" hereto) and not otherwise defined shall have the meanings given in the Master Order or in Exhibit "A" to this Second Supplement. The recitals to

this Second Supplement and the exhibits hereto are incorporated herein and made a part hereof for all purposes.

(b) Construction of Terms. If appropriate in the context of this Second Supplement, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, words of the masculine, feminine, or neuter gender shall be considered to include the other genders, and words importing persons shall include firms, associations, and corporations.

Section 1.02. ESTABLISHMENT OF FINANCING PROGRAM AND ISSUANCE OF PARITY DEBT. (a) Second Supplement. By adoption of the Master Order, the County has established the Williamson County, Texas Pass-Through Toll Revenue Financing Program for the purpose of enabling the County to provide for the financing of projects authorized by the Enabling Act and any other applicable provisions of State law pursuant to which the County may issue and enter into obligations, including bonds and other types of obligations, secured by and payable from a pledge of and lien on all or part of the Security and, as authorized pursuant to Section 5 of the Master Order and Section 2.02(f), a pledge of a direct annual ad valorem tax on all taxable property in the County. This Second Supplement provides for the authorization, form, characteristics, provisions of payment and redemption, and security of the Bonds. This Second Supplement is subject to the terms of the Master Order and the terms of the Master Order are incorporated herein by reference and as such are made a part hereof for all purposes.

(b) Bonds Are Parity Debt. As required by Section 7 of the Master Order governing the issuance of Parity Debt such as the Bonds, the County hereby finds that, upon the issuance of the Bonds, the Security, taking into account the Tax Pledge authorized in Section 2.02 (f) of this Second Supplement, will be sufficient to meet the financial obligations relating to the Financing Program, including Security, taking into account the Tax Pledge authorized in Section 2.02 (f) of this Second Supplement, in amounts sufficient to satisfy the Annual Debt Service Requirements of the Financing Program. The Bonds are hereby declared to be Parity Debt under the Master Order.

Section 1.03. SECOND SUPPLEMENT TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Bonds by those who shall hold the same from time to time, this Second Supplement shall be deemed to be and shall constitute a contract between the County and the Owners from time to time of the Bonds, and the pledge made in this Second Supplement by the County and the covenants and agreements set forth in this Second Supplement to be performed by the County shall be for the equal and proportionate benefit, security, and protection of all Owners from time to time of the Bonds, without preference, priority, or distinction as to security or otherwise of any of the Bonds authorized hereunder over any of the other Bonds by reason of time of issuance, sale, or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Second Supplement and the Master Order.

Section 1.04. LIMITATION OF BENEFITS WITH RESPECT TO THIS SECOND SUPPLEMENT. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Second Supplement or the

Bonds is intended or should be construed to confer upon or give to any person other than the County, the Owners, and the Paying Agent/Registrar, any legal or equitable right, remedy, or claim under or by reason of or in respect to this Second Supplement or any covenant, condition, stipulation, promise, agreement, or provision herein contained. This Second Supplement and all of the covenants, conditions, stipulations, promises, agreements, and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the County, the Owners, and the Paying Agent/Registrar as herein and therein provided.

ARTICLE II BOND AUTHORIZATION AND SPECIFICATIONS

Section 2.01. AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. The Bonds designated "**WILLIAMSON COUNTY, TEXAS PASS-THROUGH TOLL REVENUE AND LIMITED TAX BONDS, SERIES 2009**" (the "Bonds") are hereby authorized to be issued pursuant to this Second Supplement in one or more Series in the maximum aggregate principal amount not to exceed \$92,085,000 for the purpose of (i) designing, developing, financing, constructing, maintaining, operating, extending, expanding, or improving roads on the state highway system located in the County or, as a continuation of the project or facility, in an adjacent County and (ii) paying the costs of issuing such Bonds. The authority for the Chief Financial Officer to execute and deliver the Award Certificate for a Series of Bonds shall expire at the close of business on February 17, 2010. The Bonds are authorized pursuant to authority conferred by and in conformity with State law, particularly the provisions of the Enabling Act and Chapter 1371, Texas Government Code.

The Bonds may be in the form of either Current Interest Bonds or Capital Appreciation Bonds as provided in Section 2.02 and the FORM OF BONDS in Exhibit "B" to this Second Supplement.

Section 2.02. DATE, DENOMINATIONS, NUMBERS, MATURITIES AND TERMS OF BONDS. (a) Terms of Bonds. For each Series of Bonds, there shall initially be issued, sold, and delivered hereunder fully registered bonds, without interest coupons, in the form of Fixed Rate Bonds as Current Interest Bonds or Capital Appreciation Bonds, numbered consecutively for each Series of Bonds from R-1 upward (or CR-1 upward, in the case of Capital Appreciation Bonds), payable to the respective initial registered owners thereof, or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"), in Authorized Denominations, maturing not later than forty (40) years after the date of issuance, serially or otherwise on the dates, in the years, and in the principal amounts in the case of Current Interest Bonds and Maturity Amounts in the case of Capital Appreciation Bonds, respectively, and dated, all as set forth in the Award Certificate of the Chief Financial Officer relating to each Series.

(b) Award Certificate. As authorized by Chapter 1371, Texas Government Code, as amended, the Chief Financial Officer is hereby authorized, appointed, and designated to act on behalf of the County in selling and delivering the Bonds of each Series and carrying out the other procedures specified in this Second Supplement, including the date of the Bonds of each Series, any additional or different designation or title by which the Bonds of each Series shall be known, the

price at which the Bonds of each Series will be sold, the years in which the Bonds of each Series will mature, the principal amount to mature in each of such years, the aggregate principal amount of the Bonds of each Series, the rate or rates of interest to be borne by each maturity, the interest payment periods, the dates, price, and terms upon and at which the Bonds of each Series shall be subject to redemption prior to maturity at the option of the County, as well as any mandatory sinking fund redemption provisions, and all other matters relating to the issuance, sale, and delivery of the Bonds of each Series, including procuring municipal bond insurance with a Bond Insurer, if any, all of which shall be specified in a certificate of the Chief Financial Officer (the "Award Certificate"); provided that (i) the price to be paid for the Bonds of each Series shall not be less than 90% of the aggregate original principal amount thereof plus accrued interest, if any, thereon from its date to its delivery, if any, and (ii) none of the Bonds shall bear interest at a rate greater than the Maximum Rate. Notwithstanding any other provision in this Order, if the Chief Financial officer is not available at the time of pricing, the County Judge is authorized to execute the Award Certificate.

It is further provided, however, that, notwithstanding the foregoing provisions, the Bonds of a Series shall not be delivered unless prior to delivery (i) the Award Certificate relating to that Series of Bonds has been executed and filed with the County and (ii) the Bonds of such Series have been rated by a nationally-recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations as required by Chapter 1371, Texas Government Code, as amended.

Each Award Certificate is hereby incorporated into and made a part of this Second Supplement and shall be filed in the minutes of the County as a part of this Second Supplement.

(c) Sale of Each Series of the Bonds. To achieve the lowest borrowing costs for the County Financing System, each series of the Bonds shall be sold to the public on either a negotiated or competitive basis as determined by the Chief Financial Officer in the Award Certificate. In determining whether to sell each series of the Bonds by negotiated or competitive sale, the Chief Financial Officer shall take into account the financial condition of the County and the Financing System, any material disclosure issues which might exist at the time, the market conditions expected at the time of the sale and any other matters which, in the judgment of the Chief Financial Officer, might affect the net borrowing costs on each series of the Bonds.

If the Chief Financial Officer determines that a series of the Bonds should be sold at a competitive sale, the Chief Financial Officer shall cause to be prepared a notice of sale and official statement in such manner as the Chief Financial Officer deems appropriate, to make the notice of sale and official statement available to those institutions and firms wishing to submit a bid for the Bonds, to receive such bids, and to award the sale of the Bonds to the bidder submitting the best bid in accordance with the provisions of the notice of sale.

If the Chief Financial Officer determines that a series of the Bonds should be sold by a negotiated sale, the Chief Financial Officer shall designate the senior managing underwriter for the Bonds and such additional investment banking firms as the Chief Financial Officer deems appropriate to assure that the Bonds are sold on the most advantageous terms to the Financing System. The Chief Financial Officer, acting for and on behalf of the Board, is authorized to enter

into and carry out a Bond Purchase Contract for the Bonds to be sold by negotiated sale, with the Underwriter at such price, with and subject to such terms as determined by the Chief Financial Officer pursuant to Section 2.02(b) above.

(d) In General. The Bonds of each Series (i) may and shall be redeemed prior to the respective scheduled maturity dates, (ii) may be assigned and transferred, (iii) may be exchanged for other Bonds of such Series, (iv) shall have the characteristics, and (v) shall be signed and sealed, and the principal of and interest on the Bonds shall be payable, all as provided, and in the manner required or indicated, in the FORM OF BONDS set forth in Exhibit "B" to this Second Supplement and as determined by the Chief Financial Officer as provided herein, with such changes and additions as are required to be consistent with the terms and provisions shown in the Award Certificate relating to each Series of the Bonds.

(e) Interest. The Current Interest Bonds shall bear interest calculated on the basis of a 360-day year composed of twelve 30-day months from the dates specified in the FORM OF BONDS set forth in Exhibit "B" to this Second Supplement to their respective dates of maturity or redemption at the rates per annum set forth in the Award Certificate.

The Capital Appreciation Bonds shall accrete interest from the Issuance Date, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Compounded Amounts thereof), compounded semiannually on the dates set forth in the Award Certificate (the "Compounding Dates") commencing on the date set forth in the Award Certificate, and payable, together with the principal amount thereof, in the manner provided in the FORM OF BONDS set forth in Exhibit "B" at the rates set forth in the Award Certificate. Attached to the Award Certificate, if Capital Appreciation Bonds are to be issued, shall be an exhibit (the "Compounded Amount Table") that will set forth the rounded original principal amounts at the Issuance Date for the Capital Appreciation Bonds and the Compounded Amounts and Maturity Amounts thereof (per \$5,000 Maturity Amount) as of each Compounding Date, commencing the date set forth in the Award Certificate, and continuing until the final maturity of such Capital Appreciation Bonds. The Compounded Amount with respect to any date other than a Compounding Date is the amount set forth on the Compounded Amount Table with respect to the last preceding Compounding Date, plus the portion of the difference between such amount and the amount set forth on the Compounded Amount Table with respect to the next succeeding Compounding Date that the number of days (based on 30-day months) from such last preceding Compounding Date to the date for which such determination is being calculated bears to the total number of days (based on 30-day months) from such last preceding Compounding Date to the next succeeding Compounding Date.

(f) Levy of Tax. In addition to the Security pledged to the Bonds under Section 2(a) of the Master Order, and pursuant to Section 5 of the Master Order, but only to the extent such Security is insufficient to pay the interest and principal payments on the Bonds, and to create a sinking fund for the payment of the principal thereof when due, and to pay the expenses of assessing and collecting such taxes, there shall be, and is hereby, levied, assessed and collected on all taxable property in the County for each year while any of the Bonds are outstanding, a continuing, direct annual ad valorem tax within the limits prescribed by law (but never less than 2% of the original principal amount of said Bonds as a sinking fund each year). All the proceeds of such collections,

except expenses incurred in that connection, shall be paid into the "Interest and Sinking Fund", and such proceeds shall be used for such purposes and no other.

(g) Payments on Holidays. In the event that any date for payment of the principal of or interest on the Bonds is a Saturday, Sunday, legal holiday, or day on which banking institutions in the County where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment will be the next succeeding day that is not a Saturday, Sunday, legal holiday, or day on which such banking institutions are authorized to close. Payment on such later date will not increase the amount of interest due and will have the same force and effect as if made on the original date payment was due.

Section 2.03. PAYMENT OF BONDS; PAYING AGENT/REGISTRAR. The principal of, premium, if any, and the interest on the Current Interest Bonds and Maturity Amount on any Capital Appreciation Bonds shall be payable, without exchange or collection charges to the Owner thereof, in any coin or currency of the United States of America that at the time of payment is legal tender for the payment of public and private debts.

Wells Fargo Bank, N. A. is hereby appointed as Paying Agent/Registrar for the Bonds. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar acknowledges receipt of copies of the Master Order and this Second Supplement, and is deemed to have agreed to the provisions thereof and hereof.

The County agrees and covenants to cause to be kept and maintained at the designated office of the Paying Agent/Registrar a Security Register, all as provided herein, in accordance with the terms and provisions of the Paying Agent/Registrar Agreement and such reasonable rules and regulations as the Paying Agent/Registrar and the County may prescribe. In addition, to the extent required by law, the County covenants to cause to be kept and maintained the Security Register or a copy thereof in the State.

The County expressly reserves the right to appoint one or more successor Paying Agent/Registrars, by filing with the Paying Agent/Registrar a certified copy of a resolution or minute order of the County making such appointment. The County further expressly reserves the right to terminate the appointment of the Paying Agent/Registrar by filing a certified copy of a resolution of the County giving notice of the County's termination of the County's agreement with such Paying Agent/Registrar and appointing a successor. The County covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity duly qualified and legally authorized to serve as and perform the duties and services of Paying Agent/Registrar for the Bonds. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Security Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar, the County agrees promptly to cause a written notice thereof to be sent to each Owner by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The principal of, premium, if any, and interest on the Current Interest Bonds and Maturity Amounts for any Capital Appreciation Bonds due and payable by reason of maturity, redemption, or otherwise, shall be payable only to the Owner thereof appearing on the Security Register, and, to the extent permitted by law, neither the County nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary.

Principal of, and premium, if any, on the Current Interest Bonds and Maturity Amounts for any Capital Appreciation Bonds, shall be payable only upon the presentation and surrender of said Bonds to the Paying Agent/Registrar at its designated office. Interest on the Bonds shall be paid to the Owner whose name appears in the Security Register at the close of business on the Record Date and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar to the address of the Owner appearing in the Security Register on the Record Date or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by, and at the risk and expense of, the Owner.

In the event of a nonpayment of interest on a scheduled payment date on a Current Interest Bond, 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 Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) 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 Owner of a Current Interest Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

Section 2.04. REDEMPTION. (a) Generally. The Bonds shall be subject to redemption prior to scheduled maturity at such times and with such provisions as provided in an Award Certificate.

(b) Notices of Redemption and Defeasance. (i) Unless waived by any Owner of the Bonds to be redeemed, the Chief Financial Officer shall give notice of redemption or defeasance to the Paying Agent/Registrar at least thirty-five (35) days prior to a redemption date in the case of a redemption (unless a lesser period is acceptable to the Paying Agent/Registrar) and on the defeasance date in the case of a defeasance and the Paying Agent/Registrar shall give notice of redemption or of defeasance of Bonds by mail, first-class postage prepaid at least thirty (30) days prior to a redemption date and within thirty (30) days after a defeasance date to each Owner and to the central post office or each registered securities depository and to any national information service that disseminates such notices. In addition, in the event of a redemption caused by an advance refunding of the Bonds, the Paying Agent/Registrar shall send a second notice of redemption to the persons specified in the immediately preceding sentence at least thirty (30) days but not more than ninety (90) days prior to the actual redemption date. Any notice sent to the central post office or registered securities depositories or such national information services shall be sent so that they are received at least two (2) days prior to the general mailing or publication date of such notice. The Paying Agent/Registrar shall also send a notice of prepayment or redemption to the

Owner of any Bond who has not sent the Bonds in for redemption sixty (60) days after the redemption date.

(ii) Each notice of redemption or defeasance shall contain a description of the Bonds to be redeemed or defeased including the complete name of the Bonds, the date of issue, the interest rate, the maturity date, the CUSIP number, the certificate numbers, the amounts called of each certificate, the publication or mailing date for the notice, the date of redemption or defeasance, the redemption price, if any, the name of the Paying Agent/Registrar, and the address at which the Bonds may be redeemed or paid, including a contact person telephone number.

(iii) All redemption payments made by the Paying Agent/Registrar to the Owners of the Bonds shall include a CUSIP number relating to each amount paid to such Owner.

The failure of any Owner of the Bonds to receive notice given as provided in this Section 2.04, or any defect therein, shall not affect the validity of any proceedings for the redemption of any Bonds. Any notice mailed as provided in this Section 2.04 shall be conclusively presumed to have been duly given and shall become effective upon mailing, whether or not any Owner receives such notice.

So long as DTC is effecting book-entry transfers of the Bonds, the Paying Agent/Registrar shall provide the notices specified in this Section 2.04 only to DTC. It is expected that DTC shall, in turn, notify its participants and that the participants, in turn, will notify or cause to be notified the beneficial owners. Any failure on the part of DTC or a participant, or failure on the part of a nominee of a beneficial owner of a Bond to notify the beneficial owner of the Bond so affected, shall not affect the validity of the redemption of such Series of Bonds.

(c) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by the Master Order or this Second Supplement have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the County, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the County shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 2.05. REGISTRATION; TRANSFER; EXCHANGE OF BONDS; PREDECESSOR BONDS; BOOK-ENTRY-ONLY SYSTEM; SUCCESSOR SECURITIES DEPOSITORY; PAYMENTS TO CEDE & CO. (a) Registration, Transfer, Exchange, and Predecessor Bonds. The Registrar shall obtain, record, and maintain in the Security Register the name and address of each Owner issued under and pursuant to the provisions of this Second Supplement. Any Bond may, in accordance with its terms and the terms hereof, be transferred or

exchanged for Bonds in Authorized Denominations upon the Security Register by the Owner, in person or by his duly authorized agent, upon surrender of such Bond to the Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Owner or by his duly authorized agent, in form satisfactory to the Registrar.

Upon surrender for transfer of any Bond at the designated office of the Registrar, there shall be registered and delivered in the name of the designated transferee or transferees, one or more new Bonds, executed on behalf of, and furnished by, the County, of Authorized Denominations and having the same Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer.

At the option of the Owner, Bonds may be exchanged for other Bonds of Authorized Denominations and having the same Maturity, bearing the same rate of interest, and of like aggregate principal amount or Maturity Amount and Series as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the principal office of the Registrar. Whenever any Bonds are so surrendered for exchange, there shall be registered and delivered new Bonds executed on behalf of, and furnished by, the County to the Owner requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the principal office of the Registrar or sent by United States mail, first-class, postage prepaid to the Owners or the designee thereof, and, upon the registration and delivery thereof, the same shall be the valid obligations of the County, evidencing the same debt, and entitled to the same benefits under the Master Order and this Second Supplement, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Owner, except as otherwise herein provided, and except that the Registrar shall require payment by the Owner requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be "Predecessor Bonds," evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term "Predecessor Bonds" shall include any mutilated Bond that is surrendered to the Paying Agent/Registrar or any Bond for which satisfactory evidence of the loss of which has been received by the County and the Paying Agent/Registrar and, in either case, in lieu of which a Bond or Bonds have been registered and delivered pursuant to Section 3.05 hereof.

Neither the County nor the Registrar shall be required to issue or transfer to an assignee of an Owner any Bond called for redemption, in whole or in part, within forty-five (45) days of the date fixed for the redemption of such Bond; provided, however, such limitation of transfer shall not be applicable to an exchange by the Owner of the unredeemed balance of a Bond called for redemption in part.

(b) Ownership of Bonds. The entity in whose name any Bond shall be registered in the Security Register at any time shall be deemed and treated as the absolute Owner thereof for all

purposes of this Second Supplement, whether or not such Bond shall be overdue, and, to the extent permitted by law, the County and the Paying Agent/Registrar shall not be affected by any notice to the contrary; and payment of, or on account of, the principal of, premium, if any, and interest on any such Current Interest Bond or Maturity Amount in the case of Capital Appreciation Bonds shall be made only to such Owner. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

(c) Book-Entry-Only System. The Bonds of each Series issued in exchange for the Initial Bond for such Series issued as provided in Section 2.06 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 DTC, and except as provided in this subsection (c) or the Award Certificate relating to a Series of Bonds, 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 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 Owner as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Owner as shown on the Security Register, of any amount with respect to principal of, premium, if any, or interest on the Bonds. Notwithstanding any other provision of this Second Supplement 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 Security Register as the absolute owner of such Bond for the purpose of payment of principal, premium, if any, and interest, with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the Owners, as shown in the Security Register as provided in this Second Supplement, 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, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Owner, as shown in the Security Register, shall receive a Bond certificate evidencing the obligation of the County to make payments of principal, premium, if any, and interest pursuant to this Second Supplement. 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 Second Supplement with respect to interest checks being mailed to the Owner at the close of business on the Record Date the words "Cede & Co." in this Second Supplement shall refer to such new nominee of DTC.

(d) Successor Securities Depository; Transfers Outside Book-Entry-Only System. In the event that the County determines to discontinue the book-entry-only system through DTC or a successor or DTC determines to discontinue providing its services with respect to a Series of Bonds,

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 Bonds 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 of such Series shall no longer be restricted to being registered in the Security Register 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 Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Second Supplement.

(e) Payments to Cede & Co. Notwithstanding any other provision of this Second Supplement 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, premium, if any, 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 representation letter of the County to DTC.

(f) Blanket Issuer Letter of Representations. The County heretofore has executed and delivered to DTC a "Blanket Issuer Letter of Representations" with respect to the utilization by the County of DTC's book-entry-only system and the County intends to utilize such book-entry-only system in connection with each Series of the Bonds.

Section 2.06. INITIAL BOND. The Bonds of each Series shall initially be issued as a fully registered bond, being one bond (or two bonds, being one initial Current Interest Bond and one initial Capital Appreciation Bond, if both such bonds are issued) (singularly or collectively, the "Initial Bond"). Each Initial Bond shall be registered in the name of the initial purchaser(s) of the Series of Bonds as set out in the Award Certificate. Each Initial Bond shall be submitted to the Office of the Attorney General of the State for approval and registration by the Office of the Comptroller of Public Accounts of the State and delivered to the initial purchaser(s) thereof. Immediately after the delivery of the Initial Bond of a Series on the Issuance Date, the Registrar shall cancel the Initial Bond 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 2.05(d), all of the Outstanding Bonds of such Series shall be registered in the name of Cede & Co., as nominee of DTC.

Section 2.07. FORM OF BONDS. The Bonds (including each Initial Bond), the Registration Certificate of the Comptroller of Public Accounts of the State or the Authentication Certificate, and the form of Assignment to be printed on each of the Bonds shall be substantially in the forms set forth in Exhibit "B" to this Second Supplement with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Second Supplement and the Award Certificate relating to a Series of Bonds, may have such letters, numbers, or other marks of identification and such legends and endorsements (including any reproduction of an opinion of counsel and information regarding the issuance of any bond insurance policy) thereon as may, consistently herewith, be established by the County or determined by the officers executing

such Bonds as evidenced by their execution thereof. Any portion of the text of any Bonds may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The Bonds shall be typewritten, photocopied, printed, lithographed, engraved, or produced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

ARTICLE III EXECUTION; REPLACEMENT OF BONDS; AND BOND INSURANCE

Section 3.01. EXECUTION AND REGISTRATION. The Bonds shall be executed on behalf of the County by the County Judge under its seal reproduced or impressed thereon and attested by the County Clerk. The signature of said officers on the Bonds may be manual or facsimile. Bonds bearing the manual or facsimile signatures of individuals who are or were the proper officers of the County as of their authorization shall be deemed to be duly executed on behalf of the County, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the initial purchaser(s) and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, Texas Government Code, as amended.

No Bond shall be entitled to any right or benefit under this Second Supplement, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Exhibit "B" to this Second Supplement, executed by the Comptroller of Public Accounts of the State or its duly authorized agent by manual signature, or the Paying Agent/Registrar's Authentication Certificate substantially in the form provided in Exhibit "B" to this Second Supplement executed by the manual signature of an authorized officer or employee of the Registrar, and either such certificate duly signed upon any Bond shall be conclusive evidence, and the only evidence, that such Bond has been duly certified, registered, and delivered.

Section 3.02. CONTROL AND CUSTODY OF BONDS. The Chief Financial Officer shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation and examination by the Attorney General of the State, including the printing and supply of printed Bonds, and shall take and have charge and control of each Initial Bond pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the initial purchaser(s).

Furthermore, each Authorized Representative is hereby authorized and directed to furnish and execute such documents relating to the Project, the County and its financial affairs as may be necessary for the issuance of the Bonds of each Series, the approval of the Attorney General, and the registration by the Comptroller of Public Accounts and, together with the County's Bond Counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the initial purchaser(s) and the initial exchange thereof for Bonds of such Series other than the Initial Bond.

Section 3.03. PRINTED OPINION. The initial purchaser(s)' obligation to accept delivery of the Bonds of each Series is subject to the initial purchaser(s) being furnished the final opinion of McCall, Parkhurst & Horton L.L.P. approving the Bonds of such Series as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for the Bonds of such Series. If bond insurance is obtained for the Bonds, the Bonds may bear an appropriate insurance legend.

Section 3.04. CUSIP NUMBERS. CUSIP numbers may be printed or typed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the County nor attorneys approving the Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the Bonds.

Section 3.05. MUTILATED, DESTROYED, LOST, AND STOLEN BONDS. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the County and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the County and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the County or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the County shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Series and Maturity and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the County in its discretion may, instead of issuing a new Bond, pay such Bond and the interest due thereon to the date of payment.

Upon the issuance of any new Bond under this Section, the County may require payment by the Owner of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses (including the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the County, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Second Supplement equally and ratably with all other Outstanding Bonds.

Section 3.06. BOND INSURANCE. (a) Purchase of Insurance. In connection with the sale of the Bonds, the County may obtain municipal bond insurance policies from one or more Bond Insurers to guarantee the full and complete payment required to be made by or on behalf of the County on some or all of the Bonds as determined by the Chief Financial Officer. The Chief Financial Officer is hereby authorized to sign a commitment letter with a Bond Insurer and to pay the premium for the bond insurance policies at the time of the delivery of the Bonds out of the

proceeds of sale of the Bonds or from other available funds and to execute such other documents and certificates as necessary in connection with the bond insurance policies as he or she may deem appropriate. Printing on Bonds covered by the bond insurance policies a statement describing such insurance, in form and substance satisfactory to a Bond Insurer and the Chief Financial Officer, is hereby approved and authorized. The Award Certificate may contain provisions related to the bond insurance policies, including payment provisions thereunder, and the rights of a Bond Insurer, and any such provisions shall be read and interpreted as an integral part of this Second Supplement.

(b) Rights of Bond Insurer(s). As long as a Bond Insurer is not in default on the related bond insurance policy for the Bonds, the Bond Insurer shall be deemed to be the sole Owner of such Bonds insured by it for all purposes of this Second Supplement or the Master Order.

ARTICLE IV PAYMENTS AND REBATE FUND

Section 4.01. PAYMENTS. (a) Accrued and Capitalized Interest. Immediately after the delivery of each Series of Bonds the County shall deposit any accrued interest and any sale proceeds to be used to pay capitalized interest received from the sale and delivery of such Bonds to the credit of the Interest and Sinking Account to be held to pay interest on such Bonds.

(b) Debt Service Payments. Semiannually on or before each principal or interest payment date while any of the Current Interest Bonds are outstanding and unpaid, commencing on the first interest payment date for the Current Interest Bonds as provided in the Award Certificate(s), the County shall make available from the Interest and Sinking Account to the Paying Agent/Registrar, money sufficient to pay such interest on and such principal of the Current Interest Bonds as will accrue or mature, or be subject to mandatory redemption prior to maturity, on such principal, redemption, or interest payment date. The Paying Agent/Registrar shall cancel all paid Bonds and shall furnish the County with an appropriate certificate of cancellation.

Section 4.02. REBATE FUND. A separate and special fund to be known as the Rebate Fund is hereby established by the County pursuant to the requirements of Section 148(f) of the Code and the tax covenants of the County contained in Section 5.01 of this Second Supplement for the benefit of the United States of America and the County, as their interests may appear pursuant to this Second Supplement. Such amounts shall be deposited therein and withdrawn therefrom as is necessary to comply with the provisions of Section 5.01. Any moneys held within the Rebate Fund shall not constitute Security under the Master Order.

ARTICLE V COVENANTS REGARDING TAX EXEMPTION

Section 5.01. COVENANTS REGARDING TAX EXEMPTION. (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 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 ten percent (10%) 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 ten percent (10%) 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 Second Supplement or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than ten percent (10%) 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 five percent (5%) 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 five percent (5%) 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 five percent (5%) 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 three (3) years 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 funds, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(C) amounts deposited in any reasonably required reserve or replacement funds to the extent such amounts do not exceed ten percent (10%) 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 in subsection (a)(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 Chief Financial Officer 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.

Section 5.02. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR PROJECT. The County covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 2.01 of this Second Supplement on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (i) the expenditure is made, or (ii) the purposes for which the Bonds are issued have been accomplished. The foregoing notwithstanding, the County shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (i) the fifth anniversary of the delivery of the Bonds, or (ii) the date the Bonds are retired, unless the County obtains an opinion

of nationally-recognized bond counsel that such expenditure will not adversely affect the tax-exempt status of the 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.

Section 5.03. DISPOSITION OF PROJECT. The County covenants that the property financed with the Bonds 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.

ARTICLE VI AMENDMENTS AND MODIFICATIONS

Section 6.01. AMENDMENTS OR MODIFICATIONS WITHOUT CONSENT OF OWNERS OF BONDS. Subject to the provisions of the Master Order, this Second Supplement and the rights and obligations of the County and of the Owners of the Outstanding Bonds may be modified or amended at any time without notice to or the consent of any Owner of the Bonds or any other Parity Debt, solely for any one or more of the following purposes:

- (i) To add to the covenants and agreements of the County contained in this Second Supplement, other covenants and agreements thereafter to be observed, or to surrender any right or power reserved to or conferred upon the County in this Second Supplement;
- (ii) To cure any ambiguity or inconsistency, or to cure or correct any defective provisions contained in this Second Supplement, upon receipt by the County of an Opinion of Counsel, that the same is needed for such purpose, and will more clearly express the intent of this Second Supplement;
- (iii) To supplement the Security for the Bonds;
- (iv) To make such other changes in the provisions hereof, as the County may deem necessary or desirable and which shall not, in the judgment of the County, materially adversely affect the interests of the Owners of the Outstanding Bonds;
- (v) To make any changes or amendments requested by the State Attorney General's Office as a condition to the approval of the Bonds, which changes or amendments do not, in the judgment of the County, materially adversely affect the interests of the Owners of the Outstanding Bonds; or

- (vi) To make any changes or amendments requested by any bond rating agency then rating or requested to rate the Bonds, as a condition to the issuance or maintenance of a rating, which changes or amendments do not, in the judgment of the County, materially adversely affect the interests of the Owners of the Outstanding Bonds.

Section 6.02. AMENDMENTS OR MODIFICATIONS WITH CONSENT OF OWNERS OF BONDS. (a) Amendments. Subject to the other provisions of this Second Supplement and the Master Order, the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount shall have the right from time to time to approve any amendment, other than amendments described in Section 6.01 hereof, to this Second Supplement that may be deemed necessary or desirable by the County, provided, however, that nothing herein contained shall permit or be construed to permit, without the approval of the Owners of all of the Outstanding Bonds, the amendment of the terms and conditions in this Second Supplement or in the Bonds so as to:

- (i) Make any change in the maturity of the Outstanding Bonds;
- (ii) Reduce the rate of interest borne by Outstanding Bonds;
- (iii) Reduce the amount of the principal payable on Outstanding Bonds;
- (iv) Modify the terms of payment of principal of or interest on the Outstanding Bonds, or impose any conditions with respect to such payment;
- (v) Affect the rights of the Owners of less than all Bonds then Outstanding; or
- (vi) Change the minimum percentage of the Outstanding Principal Amount of Bonds necessary for consent to such amendment.

(b) Notice. If at any time the County shall desire to amend this Second Supplement pursuant to Subsection (a), the County shall cause notice of the proposed amendment to be published in a financial newspaper or journal of general circulation in the City of New York, New York (including, but not limited to, The Bond Buyer or The Wall Street Journal) or in the State (including, but not limited to, The Texas Bond Reporter), once during each calendar week for at least two successive calendar weeks or disseminated by electronic means customarily used to convey notices of redemption. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the principal office of the Paying Agent/Registrar for inspection by all Owners of Bonds. Such publication is not required, however, if the County gives or causes to be given such notice in writing to each Owner of Bonds. A copy of such notice shall be provided in writing to each rating agency maintaining a rating on the Bonds.

(c) Receipt of Consents. Whenever at any time the County shall receive an instrument or instruments executed by all of the Owners or the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount, as appropriate, which instrument or instruments shall

refer to the proposed amendment described in said notice and which consent to and approve such amendment in substantially the form of the copy thereof on file as aforesaid, the County may adopt the amendatory resolution in substantially the same form.

(d) **Consent Irrevocable.** Any consent given by any Owner pursuant to the provisions of this Section shall be irrevocable for a period of six (6) months from the date of the first publication or other service of the notice provided for in this Section, and shall be conclusive and binding upon all future Owners of the same Bond during such period. Such consent may be revoked at any time after six (6) months from the date of the first publication of such notice by the Owner who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent/Registrar and the County, but such revocation shall not be effective if the Owners of Outstanding Bonds aggregating a majority in Outstanding Principal Amount prior to the attempted revocation consented to and approved the amendment. Notwithstanding the foregoing, any consent given at the time of and in connection with the initial purchase of Bonds shall be irrevocable.

(e) **Ownership.** For the purpose of this Section, the ownership and other matters relating to all Bonds registered as to ownership shall be determined from the Security Register kept by the Paying Agent/Registrar therefor. The Paying Agent/Registrar may conclusively assume that such ownership continues until written notice to the contrary is served upon the Paying Agent/Registrar.

Section 6.03. EFFECT OF AMENDMENTS. Upon the adoption by the County of any resolution or order to amend this Second Supplement pursuant to the provisions of this Article, this Second Supplement shall be deemed to be amended in accordance with the amendatory resolution, and the respective rights, duties, and obligations of the County and all the Owners of Outstanding Bonds shall thereafter be determined, exercised, and enforced under the Master Order and this Second Supplement, as amended.

ARTICLE VII MISCELLANEOUS

Section 7.01. DISPOSITION OF BOND PROCEEDS AND OTHER FUNDS. Proceeds from the sale of each Series of Bonds shall, promptly upon receipt thereof, be applied by the Chief Financial Officer as follows:

- (i) any underwriting discount or fees and any Credit Agreement fees for each Series of Bonds may be retained by and/or wired directly to such parties;
- (ii) any accrued interest and sale proceeds to be used to pay capitalized interest for the Series of Bonds, if any, shall be deposited as provided in Section 4.01;
- (iii) an amount sufficient to pay the remaining costs of issuance of the Bonds and the cost of acquiring, purchasing, constructing, improving, enlarging, and equipping the improvements being financed with the proceeds of each Series of Bonds shall be deposited in a separate subaccount for each Series within the Bond Proceeds Account to be used for such purposes; and

Any sale proceeds of the Bonds remaining after making all deposits and payments provided for above shall be deposited into the Interest and Sinking Account and applied to the payment of principal of and interest on the Current Interest Bonds and Maturity Amounts in the case of Capital Appreciation Bonds.

Section 7.02. MAILED NOTICES. Except as otherwise required herein, all notices required or authorized to be given to the County, any Bond Insurer (as defined in, and pursuant to, Section 3.06 hereof) or the Paying Agent/Registrar pursuant to this Second Supplement shall be in writing and shall be sent by registered or certified mail, postage prepaid, to the following addresses or otherwise given in a manner deemed, in writing, acceptable to the party to receive the notice:

1. to the County:
Williamson County, Texas
710 S. Main Street
Georgetown, Texas 78626
Attn: County Auditor
Telephone: (512) 943-1500
Facsimile: (512) 943-1567
2. to the Paying Agent/Registrar:
Jose Gaytan
Wells Fargo Bank, N.A.
Wells Fargo Corporate Trust Services
MAC T5656-013
P. O. Box 2019 (US Mail)
Austin, Texas 78768
400 W. 15th Street, Suite 150
Austin, Texas 78701
Telephone: (512) 344-7306
Facsimile: (512) 344-8621
3. to any Bond Insurer:
The address, phone number and fax number specified in the Award Certificate.

or to such other addresses as may from time to time be furnished to the parties, effective upon the receipt of notice thereof given as set forth above.

Section 7.03. DEFEASANCE OF BONDS. (a) Deemed Paid. The principal of and/or the interest and redemption premium, if any, on any Bonds shall be deemed to be Defeased Debt within the meaning of the Master Order, except to the extent provided in subsections (c) and (e) of this Section, when payment of the principal of such Bonds, plus interest thereon to the due date or dates (whether such due date or dates 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 the establishment of irrevocable provisions for the giving of such notice) 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 Bonds or an eligible trust company or commercial bank 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 such Bonds or an eligible trust company or commercial bank for the payment of its services until all Defeased Debt shall have become due and payable or (3) any combination of (1) and (2). At such time as Bonds shall be deemed to be a Defeased Debt hereunder, as aforesaid, such Bonds and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of the Security as provided in the Master Order and this Second Supplement, and such principal and interest shall be payable solely from such money or Defeasance Securities.

(b) Investments. The deposit under clause (ii) of subsection (a) of this Section shall be deemed a payment of Bonds as aforesaid when proper notice of redemption of such Bonds shall have been given or upon the establishment of irrevocable provisions for the giving of such notice, in accordance with the Master Order and this Second Supplement. Any money so deposited with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank as provided in this Section may at the discretion of the County 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 the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank pursuant to this Section which is not required for the payment of such Bonds and premium, if any, and interest thereon with respect to which such money has been so deposited, shall be remitted to the County for deposit to the General Account of the System Account.

(c) Continuing Duty of Paying Agent and Registrar. Notwithstanding any provision of any other Section of this Second Supplement 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 Bonds 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. Until all Defeased Debt shall have become due and payable, the Paying Agent/Registrar for such Defeased Debt shall perform the services of Paying Agent/Registrar for such Defeased Debt the same as if they had not been defeased, and the County shall make proper arrangements to provide and pay for such services as required by this Second Supplement.

(d) Amendment of this Section. Notwithstanding anything elsewhere in this Second Supplement, if money or Defeasance Securities have been deposited or set aside with the Paying Agent/Registrar for such Bonds or an eligible trust company or commercial bank 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 Bonds affected thereby.

(e) **Retention of Rights.** Notwithstanding the provisions of subsection (a) of this Section, to the extent that, upon the defeasance of any Defeased Debt to be paid at its maturity, the County retains the right under State law to later call that Defeased Debt for redemption in accordance with the provisions of this Second Supplemental Order and the Award Certificate relating to the Defeased Debt, the County may call such Defeased Debt for redemption upon complying with the provisions of State law and upon the satisfaction of the provisions of subsection (a) of this Section with respect to such Defeased Debt as though it was being defeased at the time of the exercise of the option to redeem the Defeased Debt and the effect of the redemption is taken into account in determining the sufficiency of the provisions made for the payment of the Defeased Debt.

Section 7.04. PAYING AGENT/REGISTRAR AGREEMENT. The Paying Agent/Registrar Agreement by and between the County and the Paying Agent/Registrar is hereby approved and the Chief Financial Officer is hereby authorized to complete, amend, modify, execute, and deliver such Paying Agent/Registrar Agreement, as necessary.

Section 7.05. FURTHER PROCEDURES. Each Authorized Representative is hereby expressly 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 Second Supplement, each Series of Bonds, the sale and delivery of each Series of Bonds, and fixing all details in connection therewith, and the Paying Agent/Registrar Agreement. In connection with the issuance and delivery of each Series of Bonds, the above-stated officers, with the advice of the City Attorney and Bond Counsel to the County, are hereby authorized to approve, subsequent to the date of the adoption of this Second Supplement, any amendments to the above named documents, and any technical amendments to this Second Supplement as permitted by Section 6.01 (v) or (vi) and a Authorized Representative is hereby authorized to execute this Second Supplement to evidence approval of such changes.

Section 7.06. NONPRESENTMENT OF BONDS. If any Bond shall not be presented for payment when the principal thereof becomes due, either at maturity or otherwise, or if the Maturity Amounts of Capital Appreciation Bonds become due, if moneys sufficient to pay such Bond shall have been deposited with the Paying Agent/Registrar, it shall be the duty of the Paying Agent/Registrar to hold such moneys, without liability to the County, any Owner, or any other person for interest thereon, for the benefit of the Owner of such Bond.

Any moneys so deposited with and held by the Paying Agent/Registrar due to nonpresentment of Bonds must be retained by the Paying Agent/Registrar for a period of at least two years after the final maturity date of the Bonds or advance refunding date, if applicable. Thereafter, to the extent permitted by the unclaimed property laws of the State, such amounts shall be paid by the Paying Agent/Registrar to the County, free from the trusts created by this Second Supplement and Owners shall be entitled to look only to the County for payment, and then only to the extent of the amount so repaid by the Paying Agent/Registrar.

Section 7.07. EFFECT OF SATURDAYS, SUNDAYS, AND LEGAL HOLIDAYS.

Whenever this Second Supplement requires any action to be taken on a Saturday, Sunday, or legal holiday, such action shall be taken on the first business day occurring thereafter. Whenever in this Second Supplement the time within which any action is required to be taken or within which any right will lapse or expire shall terminate on a Saturday, Sunday, or legal holiday, such time shall continue to run until midnight on the next succeeding business day.

Section 7.08. PARTIAL INVALIDITY. If any one or more of the covenants or agreements or portions thereof provided in this Second Supplement on the part of the County should be determined by a court of competent jurisdiction to be contrary to law, then such covenant or covenants, or such agreement or agreements, or such portions thereof, shall be deemed severable from the remaining covenants and agreements or portions thereof provided in this Second Supplement and the invalidity thereof shall in no way affect the validity of the other provisions of this Second Supplement or of the Bonds, but the Owners of the Bonds shall retain all the rights and benefits accorded to them hereunder and under any applicable provisions of law.

Section 7.09. 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 Bonds including financial statements of the County, as determined by the Chief Financial Officer at the time the Bonds are sold. Any financial statements so to be provided shall be (i) prepared in accordance with generally accepted accounting principles or such other Accounting Principles as the County may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the County commission 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 County will provide unaudited financial statements and shall 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 Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in 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 Section 7.09(a) of this Second Supplement by the time required by such Section.

(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 7.03 of this Second Supplement that causes the Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the Owners 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 OWNER 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 IN WILLIAMSON COUNTY, TEXAS.

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

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 (i) 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 (ii) either (a) the holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Second Supplement that authorizes such an amendment) of the outstanding Bonds consents to such amendment or (b) a person that is unaffiliated with the County (such as Bond Counsel) determines that such amendment will not materially impair the interest of the Owners 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 Section 7.09(a) 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.

The filing of such continuing disclosure information with a central post office approved for such purposes by the SEC, such as Disclosure USA, for submission to the NRMSIRs and SID (without also separately submitting such filings to the NRMSIRs and SID by some other means) will satisfy the County's obligation to file such information with the NRMSIRs and SID so long as such filing is acceptable to the SEC.

Section 7.10. OFFICIAL STATEMENT. The Preliminary Official Statement, in substantially the form and substance submitted to the County at the meeting at which this Second Supplement is adopted is hereby ratified and approved. The Chief Financial Officer is hereby authorized to complete, amend, modify and deem such Preliminary Official Statement and the Final Official Statement, as necessary.

Section 7.11. CREDIT AGREEMENT. To the extent permitted by law, the County reserves the right to enter into Credit Agreements in connection with the Bonds, upon the written

opinion of the Chief Financial Officer that such Credit Agreements are in the best interest of the County given the market conditions at the time. The Credit Agreements will constitute a Credit Agreement as defined in the Master Order. Credit Agreements and the obligations thereunder may, pursuant to their terms, constitute (i) Parity Debt secured by a pledge of the Security on parity with the Bonds and other Parity Debt, (ii) Subordinated Debt secured by a pledge of the Security subordinate to the Bonds and other Parity Debt or (iii) partially Parity Debt and partially Subordinated Debt.

Section 7.12. REMEDIES. Any owner of Parity Debt in the event of default in connection with any default in the payment of Annual Debt Service Requirements due in connection with any Parity Debt, or other costs and expenses related thereto, may require the County, its officials and employees and any appropriate official of the County, to carry out, respect, or enforce the obligations of the Master Order or this Second Supplement, by all legal and equitable means, including specifically, the use and filing of mandamus proceedings and specific performance of any covenant or agreement contained herein or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the owners hereunder or any combination of such remedies in any court of competent jurisdiction in Williamson County, Texas against the County, its officials and employees or any appropriate official of the County.

Section 7.13. RULES OF INTERPRETATION. For purposes of this Second Supplement, except as otherwise expressly provided or the context otherwise requires:

(a) The words "herein," "hereof" and "hereunder" and other similar words refer to this Second Supplement as a whole and not to any particular Article, Section, or other subdivision.

(b) The definitions in an Article are applicable whether the terms defined are used in the singular or the plural.

(c) All accounting terms that are not defined in this Second Supplement have the meanings assigned to them in accordance with then applicable accounting principles.

(d) Any pronouns used in this Second Supplement include both the singular and the plural and cover both genders.

(e) Any terms defined elsewhere in this Second Supplement have the meanings attributed to them where defined.

(f) The captions or headings are for convenience only and in no way define, limit or describe the scope or intent, or control or affect the meaning or construction, of any provisions or sections hereof.

(g) Any references to Section numbers are to Sections of this Second Supplement unless stated otherwise.

Section 7.14. 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 7.15. 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 7.16. 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 7.17. REPEALER. All orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

Section 7.18. NO PERSONAL LIABILITY. No covenant or agreement contained in the Bonds, this Second Supplement or any corollary instrument shall be deemed to be the covenant or agreement of any member of the Commissioners Court or any officer, agent, employee or representative of the County in his individual capacity, and neither the Commissioners Court, directors, members, officers, agents, employees or representatives of the County nor any person executing the Bonds shall be personally liable thereon or be subject to any personal liability for damages or otherwise or accountability by reason of the issuance thereof, or any actions taken or duties performed in relation to the issuance of the Bonds, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being expressly released and waived as a condition of and in consideration for the issuance of the Bonds.

Section 7.19. PAYMENT OF ATTORNEY GENERAL FEE. The County hereby authorizes the disbursement of a fee equal to the lesser of (i) one-tenth of one percent of the principal amount of the Bonds of each Series or (ii) \$9,500 per Series, provided that such fee shall not be less than \$750, to the Attorney General of Texas Public Finance Division for payment of the examination fee charged by the State of Texas for the Attorney General's review and approval of public securities and credit agreements, as required by Section 1202.004 of the Texas Government Code. The Authorized Representative is hereby instructed to take the necessary measures to make this payment. The County is also authorized to reimburse the appropriate County funds for such payment from proceeds of the Bonds of each Series.

EXHIBIT A DEFINITIONS

As used in this Second Supplement, the following terms shall have the meanings set forth below, unless the text hereof specifically indicates otherwise:

"Authorized Denominations" - Means (i) for Current Interest Bonds, \$5,000 or any integral multiple thereof or (ii) for Capital Appreciation Bonds, \$5,000 in Maturity Amount or any integral multiple thereof.

"Authorized Representative" - Means the County Judge, Chief Financial Officer or such other individual so designated by the County to perform the duties of an Authorized Representative under this Second Supplement.

"Award Certificate" - The Award Certificate of the Chief Financial Officer to be executed and delivered pursuant to Section 2.02(b) hereof in connection with each Series of Bonds.

"Bond Insurer" - One or more companies, if any, insuring all or any portion of any Series of Bonds (or any portion thereof) or any successor thereof or assignee thereof as set forth in any Award Certificate.

"Bonds" - The Bonds issued pursuant to and governed by this Second Supplement, as described in Article II hereof which includes the Series 2009 Bonds, the Current Interest Bonds and Capital Appreciation Bonds, as applicable, in accordance with the Award Certificate.

"Capital Appreciation Bonds" - The Bonds on which no interest is paid prior to maturity, maturing variously in each of the years and in the aggregate principal amount as set forth in an Award Certificate.

"Chief Financial Officer" - Means the County Auditor of the County, or such other officer or employee of the County or such other individual so designated by the County to perform the duties of Chief Financial Officer under this Second Supplement.

"Compounded Amount" - With respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus initial premium, if any, plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with Section 2.02 of this Second Supplement and the Compounded Amount Table relating to such Bonds.

"Compounded Amount Table" - With respect to the Capital Appreciation Bonds, the table attached as an exhibit to the Award Certificate relating to the Bonds that shows the Compounded Amounts per \$5,000 Maturity Amount on the Compounding Dates for each maturity to its Maturity.

"Compounding Dates" - Compounding Dates as defined in Section 2.02 of this Second Supplement.

"Current Interest Bonds" - The Bonds paying current interest and maturing in each of the years and in the aggregate principal amounts set forth in an Award Certificate.

"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 County adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of 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 County adopts or approves proceedings authorizing the issuance of refunding bonds or otherwise provide for the funding of an escrow to effect the defeasance of Bonds, are rated as to investment quality by a nationally recognized investment rating firm no less than "AAA" or its equivalent.

"DTC" - The Depository Trust Company, New York, New York, or any successor securities depository.

"DTC Participant" - 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.

"Enabling Act" - Has the meaning given in the recitals to this Second Supplement.

"Federal Securities" - 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).

"Fixed Rate Bonds" - The Bonds of a Series bearing interest at fixed, nonvariable interest rate(s), as established in accordance with Section 2.02 of this Second Supplement and the Award Certificate.

"Issuance Date" - The date of delivery of a Series of Bonds to the initial purchaser(s) thereof against payment therefor.

"Master Order" - The "Master Order Establishing the Williamson County, Texas Pass-Through Toll Revenue Financing Program," adopted by the County on August 29, 2006, as may be amended or supplemented from time to time.

"Maturity" - When used with respect to the Bonds, the scheduled maturity of the Bonds.

"Maturity Amount" - The Compounded Amount of a Capital Appreciation Bond due on its Maturity.

"Maximum Rate" - A net effective interest rate (as defined in and calculated in accordance with the provisions of the Chapter 1204, Texas Government Code, as amended not to exceed fifteen percent (15%)).

"MSRB" - The Municipal Securities Rulemaking Board.

"NRMSIR" - 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.

"Owner" - The registered owners of the Bonds as shown on the Security Register and to the extent set forth in a Credit Agreement relating to the Bonds, the party contracting with the County under a Credit Agreement.

"Paying Agent" - The agent selected and appointed by the County for purposes of paying the principal of, premium, if any, and interest on the Bonds to the Owners thereof, as identified in Section 2.03 hereof and any successor to such agent.

"Paying Agent/Registrar" - Collectively, the Paying Agent and the Registrar designated in Section 2.03 of this Second Supplement or any successor to such agent.

"Paying Agent/Registrar Agreement" - The agreement having such name executed by and between the County and the Paying Agent/Registrar.

"Predecessor Bonds" - Predecessor Bonds as defined in Section 2.05(a) hereof.

"Rebate Fund" - The fund by that name described in Section 4.02 hereof.

"Record Date" - With respect to each interest payment date of a Current Interest Bond, the date as determined in the respective Award Certificate.

"Registrar" - The agent selected and appointed by the County for purposes of keeping and maintaining books and records relating to the registration, transfer, exchange, and payment of the Bonds and interest thereon, as identified in Section 2.03 hereof and any successor to such agent.

"Reserve Fund" - The fund that was described in Section 4.04 hereof.

"Reserve Fund Obligation" - Means, a surety bond or insurance policy deposited in the Reserve Fund to satisfy the Required Reserve Amount whereby the issuer is obligated to provide funds up to and including the maximum amount and under the conditions specified in such agreement or instrument.

"Rule" - SEC Rule 15c2-12, as amended from time to time.

"SEC" - The United States Securities and Exchange County.

"Second Supplement" - This Second Supplemental Order, which was adopted pursuant to authority reserved by the County under the Master Order.

"Section" - Unless the context clearly requires otherwise, refers to a Section of this Second Supplement.

"Security Register" - The books and records kept and maintained by the Registrar relating to the registration, transfer, exchange, and payment of the Bonds and the interest thereon.

"Series" - A separate series of Bonds as specified by or pursuant to the terms of this Second Supplement.

"SID" - Any person designated by the State 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.

EXHIBIT B

FORM OF BONDS

**UNITED STATES OF AMERICA
STATE OF TEXAS
WILLIAMSON COUNTY, TEXAS
PASS-THROUGH TOLL
REVENUE AND LIMITED TAX BONDS,
SERIES 2009**

[FORM OF FIRST PARAGRAPH OF CURRENT INTEREST BOND]

No. R-_____

\$ _____

**BOND
DATE:**

**ISSUANCE
DATE:**

**INTEREST
RATE:**

**MATURITY
DATE:**

CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

Williamson County, Texas (the "County") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, the Principal Amount specified above on the Maturity Date specified above and to pay interest on the unpaid principal amount hereof from the Issuance Date* specified above at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____* and _____* of each year, commencing _____, ____*. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the designated office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the _____* day of the month next preceding each interest payment date. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof.

[FORM OF FIRST TWO PARAGRAPHS OF CAPITAL APPRECIATION BOND]

No. CR-_____

\$_____

ISSUANCE
DATE:

INTEREST
RATE:

MATURITY
DATE:

CUSIP:

REGISTERED OWNER:

MATURITY AMOUNT:

DOLLARS

On the Maturity Date specified above, Williamson County, Texas (the "County") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner set forth above, or the registered assigns thereof, the Maturity Amount specified above, representing the original principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof plus initial premium, if any, from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____* and _____* of each year commencing _____.

The Maturity Amount on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount stated above compounded semiannually at the yield shown on such table.

[REMAINDER OF EACH BOND]

This Bond is one of a duly authorized issue of bonds designated as "Williamson County, Texas Pass-Through Toll Revenue and Limited Tax Bonds, Series 2009" (the "Bonds"), in the aggregate principal amount of \$_____* issued pursuant to the laws of the State of Texas, including specifically the Enabling Act and Chapter 1371, Texas Government Code, as amended (collectively, the "Acts"), and initially under and pursuant to a resolution of the County adopted on _____

*As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

August 29, 2006, and entitled Second Supplemental Order to the Master Order Authorizing the Williamson County, Texas Pass-Through Toll Revenue Financing Program (the "Second Supplement") for the purpose of (i) designing, developing, financing, constructing, maintaining, operating, extending, expanding, or improving roads on the state highway system located in the County or, as a continuation of the project or facility, in an adjacent County and (ii) paying the costs of issuing such Bonds. The Bonds are secured by a first lien on and pledge of the Security as defined in the Master Order adopted on August 29, 2006 (the "Master Order"), on a parity with all other Parity Debt (as defined in the Master Order and the Second Supplement) and, to the extent the Security is insufficient to pay the interest and principal payments on the Bonds, a limited pledge of a direct annual ad valorem tax on all property in the County within the limits prescribed by law.

The Master Order, as supplemented by the Second Supplement, is referred to in this Bond as the "Order." Terms used herein and not otherwise defined shall have the meanings given in the Order.

*[The Bonds are issued in part as "Current Interest Bonds," which total in principal amount \$ _____, and which pay accrued interest at stated intervals to the Registered Owners and in part as "Capital Appreciation Bonds," which total in original principal amount \$ _____ and pay no accrued interest prior to their Stated Maturities.]

Redemption Provisions

[As provided in the Award Certificate]**

Notice of redemption shall be given at the times and in the manner provided in the Second Supplement.

If this Bond is in a denomination in excess of \$5,000, portions of the principal sum hereof in ***[principal amount] ****[Maturity Amount] of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, there shall be issued, without charge therefor, to the Registered Owner hereof, upon the surrender of this Bond at the principal office of the Paying Agent/Registrar, a new Bond or Bonds of like maturity, series and interest rate in any authorized denominations provided by the Resolution for the then unredeemed balance of the ***[principal amount] ****[Maturity Amount] hereof. If this Bond is selected for redemption, in whole or in part, neither the County nor the Paying Agent/Registrar shall be required

*To be included with respect to a Series of Bonds only if Current Interest Bonds and Capital Appreciation Bonds are both issued.

**As provided in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

*** Current Interest Bonds only.

**** Capital Appreciation Bonds only.

to transfer this Bond to an assignee of the Registered Owner within forty-five (45) days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to any exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Bonds are special obligations of the County, payable solely from and equally secured by a first lien on and pledge of the Security and, pursuant to Section 5 of the Master Order, and, to the extent the Security is insufficient to pay the interest and principal payments on the Bonds, a pledge of a annual ad valorem tax on all taxable property in the County within the limits prescribed by law. The Bonds do not constitute a legal or equitable pledge, charge, lien, or encumbrance upon any property of the County, except with respect to the Security. The bonds are issued pursuant to the Order, whereunder the County covenants, to the extent the Security is insufficient to pay the interest and principal payments on the Bonds, to levy a continuing direct annual ad valorem tax, within legal limit as to rate or amount, on taxable property within the County, for each year while any part of the Bonds are considered outstanding under the provisions of the Order, in sufficient amount, together with revenues and receipts available from other sources which are equally available for such purposes, to pay interest on the Bonds as it becomes due, to provide a sinking fund for the payment of the principal of the Bonds when due or the redemption price at any earlier required redemption date, to pay when due the other contractual obligations of the issuer payable in whole or in part from taxes, and to pay the expenses of assessing and collecting such tax, all as more specifically provided in the Order. Reference is hereby made to the Order for provisions with respect to the custody and application of funds, remedies in the event of a default hereunder or thereunder, and the other rights of the registered owners of the Bonds. By acceptance of this Bond the registered owner hereof consents to all of the provisions of the Order, a certified copy of which is on file in the office of the County.

The pledge of the Security and the other obligations of the County under the Order may be discharged at or prior to the maturity of the Bonds upon the making of provision for their payment on the terms and conditions set forth in the Order.

Subject to satisfying the terms and conditions stated in the Order, the County has reserved the right to issue additional Parity Debt payable solely from and equally and ratably secured by a parity lien on and pledge of the Security and other moneys and securities pledged under the Resolution to the payment of the Bonds.

Reference is hereby made to the Order, a copy of which is on file in the designated office of the Paying Agent/Registrar, and to all of the provisions of which any Registered Owner of this Bond by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the security for the Bonds; the Security; the nature and extent and manner of enforcement of the pledge; the terms and conditions for the issuance of additional Parity Debt; the conditions upon which the Order may be amended or supplemented with or without the consent of the Registered Owners of the Bonds; the rights and remedies of the Registered Owner hereof with respect hereto and thereto; the rights, duties and obligations of the County; the terms and provisions upon which the liens, pledges, charges, and covenants made therein may be discharged at or prior

to the maturity or redemption of this Bond and this Bond thereafter no longer to be secured by the Order or be deemed to be outstanding thereunder; and for the other terms and provisions thereof.

This Bond, subject to certain limitations contained in the Order, may be transferred only upon its presentation and surrender at the designated office of the Paying Agent/Registrar named below, or its successor with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Registered Owner hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully-registered Bonds of the same Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate *[principal amount] **[Maturity Amount] will be issued to the designated transferee or transferees.

The County and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of *[principal] **[the Maturity Amount] hereof at its Maturity or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the County nor the Paying Agent/Registrar, nor any agent of either, shall be affected by notice to the contrary. In the event of 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 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 Registered Owner appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the County is a duly organized and legally existing home-rule county, organized under and by virtue of the Constitution and laws of the State of Texas; that the issuance of this Bond and the series of which it is a part are duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of this Bond to render the same lawful and valid have been properly done, have happened, and have been performed in regular and due time, form, and manner as required by the Constitution and laws of the State of Texas and the Order; that this series of bonds does not exceed any Constitutional or statutory limitation; and that due provision has been made for the payment of this Bond and the Series of which it is a part as aforestated. In case any provision in this Bond 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. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

*Current Interest Bonds only.

** Capital Appreciation Bonds only.

IN TESTIMONY WHEREOF, the County has caused its seal to be impressed or a facsimile thereof to be printed hereon and this Bond to be executed in the name of and on behalf of the County with the manual or facsimile signatures of its County Judge, and attested by the County Clerk.

WILLIAMSON COUNTY, TEXAS

By: _____ By: _____
County Clerk County Judge

(SEAL)

[INSERTIONS FOR THE INITIAL BOND]

The Initial Bond shall be in the form set forth in this exhibit, 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 the heading "CUSIP NO." shall be deleted.
- B. The first paragraph of the Current Interest Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Award Certificate):

"Williamson County, Texas (the "County") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner named above, or the registered assigns thereof, on _____* in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Principal Amount</u>	<u>Maturity Date</u>	<u>Interest Rate</u>
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(Information from Award Certificate to be inserted)

The County promises to pay interest on the unpaid principal amount hereof from the [Issuance Date] [Bond Date] specified above at the respective per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on _____* and

*As determined in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

_____ of each year, commencing _____, _____. Principal of this Bond shall be payable to the Registered Owner hereof, upon presentation and surrender, at the principal office of the Paying Agent/Registrar named in the registration certificate appearing hereon, or its successor. Interest shall be payable to the Registered Owner of this Bond whose name appears on the "Security Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the _____. All payments of principal of, premium, if any, and interest on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof."

- C. The first two paragraphs of the Capital Appreciation Bond shall be deleted and the following will be inserted (with all blanks and bracketed items to be completed with information contained in the Award Certificate):

"On the respective Maturity Dates set forth in the following schedule, the City of Round Rock, Texas (hereinafter referred to as the "County") hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the Registered Owner set forth above, or the registered assigns thereof, the respective Maturity Amounts set forth in the following schedule:

<u>Maturity Dates</u>	<u>Maturity Amounts</u>	<u>Interest Rates</u>
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(Information from Award Certificate to be inserted)

The respective Maturity Amounts specified above, represent the original principal amounts hereof and accrued and compounded interest thereon. Interest shall accrue on the principal amounts hereof from the Issue Date at the interest rate per annum specified above, compounded semiannually on _____ and _____ of each year commencing _____.

The respective Maturity Amounts on this Bond shall be payable in lawful money of the United States of America, without exchange or collection charges, and interest payments shall be made by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Registered Owner hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner hereof. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount stated above compounded semiannually at the yield shown on such table."

*As determined in the Award Certificate. To the extent that the Award Certificate relating to the Bonds is inconsistent with any provisions in this Form of Bond or contains information to complete missing information in this Form of Bond, the language in the Award Certificate shall be used in the executed Bonds.

- D. The Initial Bond for a Current Interest Bond shall be numbered "T-1", and the Initial Bond for a Capital Appreciation Bond shall be numbered "TCR-1".

Form of Registration Certificate of Comptroller of Public Accounts
To Appear on Initial Bond only.

**REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS**

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS §
THE STATE OF TEXAS § **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 duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

**AUTHENTICATION CERTIFICATE OF
PAYING AGENT/REGISTRAR**

This Bond has been duly issued and registered under the provisions of the within-mentioned Resolution; the bond or bonds of the above titled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

**WELLS FARGO BANK,
NATIONAL ASSOCIATION,
as Paying Agent/Registrar**

Registered this date:

By: _____
Authorized Signature

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 transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature guaranteed by:

NOTICE: The signature on this assignment must correspond with the name of the Registered Owner as it appears on the face of the within Bond in every particular.

[INSURANCE LEGEND IF APPLICABLE]