



98 JAN -7 AM 9 49

Barbara Middleton

BARBARA MIDDLETON
COUNTY CLERK, POLK

**NOTICE OF MEETING OF THE
COMMISSIONERS COURT OF POLK COUNTY, TEXAS**

4

Notice is hereby given that a Regular meeting of the above named Commissioners' Court will be held on Tuesday, January 13, 1998 at 10 00 a m in the County Courthouse, Livingston, Texas, at which time the following subjects will be discussed, to wit

SEE ATTACHED AGENDA

Dated Wednesday, January 7, 1998

Commissioners' Court of Polk County, Texas

By

John P. Thompson

John P. Thompson, County Judge

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of Polk County Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said notice in the County Courthouse of Polk County, Texas, at a place readily accessible to the general public at all times on Wednesday, January 7, 1998, and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Notice filed, Wednesday, January 7, 1998

Barbara Middleton, County Clerk

By

Barbara Middleton



COMMISSIONERS COURT AGENDA

for: TUESDAY- JANUARY 13 , 1998 - 10.00 A.M.

CALL TO ORDER

- 1 WELCOME - Public Comments
- 2 INFORMATIONAL REPORTS
- 3 CONSIDER APPROVAL OF MINUTES for meeting of December 23, 1997

NEW BUSINESS

- 4 CONSIDER AGREEMENT FOR FINANCIAL ADVISORY SERVICES BETWEEN POLK COUNTY AND FIRST SOUTHWEST COMPANY
- 5 CONSIDER APPROVAL OF BOND ORDER, BOND PURCHASE AGREEMENT AND ALL RELATED MATTERS INCIDENT TO THE REFUNDING OF CERTAIN BONDED DEBT
- 6 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #97-27 "Purchase of Pup Trailer w/ Trap, Pct 2" (No bids received in prior advertising)
- 7 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #97-28 "Purchase of minimum six (6) Patrol Vehicles w/ trade-in of used vehicles)
- 8 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #97-29 "Purchase of Used Landfill Compactor"
- 9 CONSIDER ANY/ALL NECESSARY ACTION PERTAINING TO BID #97-30 "Sale of used 1981 Mack Dump Truck w/ 14yd bed, Pct 4"
- 10 CONSIDER DESIGNATION OF PRECINCT #3 SURPLUS EQUIPMENT AND APPROVAL TO ADVERTISE FOR SALE OF EQUIPMENT
- 11 CONSIDER OFFERS TO PURCHASE TAX FORECLOSURE PROPERTIES, AS FOLLOWS, (Pct 2) Impala Woods #3 Lots 8 & 9 (Pct 4) Indian Springs Lake Estates #13, Lots 218-221
- 12 CONSIDER BUDGET AMENDMENT REQUEST #98-04

CONSENT AGENDA ITEMS

- 13 CONSIDER APPROVAL AND PAYMENT OF BILLS (by Schedule)
- 14 CONSIDER APPROVAL OF PERSONNEL ACTION FORMS

ADJOURN

Next regularly scheduled meeting - January 27, 1998, 10 00 a m



**ADDENDUM TO
NOTICE OF MEETING # 4
COMMISSIONERS COURT OF POLK COUNTY, TEXAS**

THE FOLLOWING WILL SERVE TO AMEND THE AGENDA OF THE COMMISSIONERS COURT MEETING SCHEDULED FOR TUESDAY, JANUARY 13, 1998 AT 10 00 A M

AMEND (TO READ AS FOLLOWS),

- 5 Consider all matters incident and related to the issuance and sale of "Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998", dated January 15, 1998, including the adoption of (I) an Order authorizing the issuance of such bonds and (II) an Order providing for the redemption of certain outstanding obligations of the County

Posted on Wednesday, January 7, 1998

Commissioners' Court of Polk County, Texas

By John P. Thompson
John P. Thompson, County Judge

FILED AND RECORDED
POLK COUNTY PUBLIC RECORDS
POLK COUNTY
98 JAN -7 PM 3 59
Barbara Middleton
BARBARA MIDDLETON
COUNTY CLERK POLK CO

I, the undersigned County Clerk, do hereby certify that the above Notice of Meeting of Polk County Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said notice at the door of the County Courthouse of Polk County, Texas, at a place readily accessible to the general public at all times on Wednesday, January 7, 1998 and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Dated Wednesday, January 7, 1998

Barbara Middleton, County Clerk

By Barbara Middleton



ADDENDUM TO
NOTICE OF MEETING # 4
COMMISSIONERS COURT OF POLK COUNTY, TEXAS

THE FOLLOWING WILL SERVE TO AMEND THE AGENDA OF THE COMMISSIONERS COURT MEETING SCHEDULED FOR JANUARY 13, 1998 AT 10 00 A M

ADD,

- 15 Clarify previous action to approve Road & Bridge Pct 3 purchase of TxDOT surplus equipment and issuance of time warrant for said purchase (approved in December 23, 1997 session as purchase of "Trackloader" & issuance of time warrant \$16,000 - should be purchase of "grade-all" & issuance of two year time warrant for \$48,000

Posted on Thursday, January 8, 1998

Commissioners' Court of Polk County, Texas

By John P. Thompson
John P Thompson, County Judge

FILED AND RECORDED
POLK COUNTY TEXAS

98 JAN -8 AM 11:13

Barbara Middleton
BARBARA MIDDLETON
COUNTY CLERK POLK CO

The undersigned County Clerk, do hereby certify that the above Notice of Meeting of Polk County Commissioners Court, is a true and correct copy of said Notice, and that I posted a true and correct copy of said notice at the door of the County Courthouse of Polk County, Texas, at a place readily accessible to the general public at all times on Thursday, January 8 1998 and said notice remained so posted continuously for at least 72 hours preceding the scheduled time of said meeting

Dated Thursday, January 8, 1998

Barbara Middleton, County Clerk

By Barbara Middleton

STATE OF TEXAS }
 COUNTY OF POLK }

DATE JANUARY 13, 1998
 REGULAR CALLED MEETING
 ALL PRESENT

BE IT REMEMBERED ON THIS THE 13th DAY OF JANUARY, 1997
 THE HONORABLE COMMISSIONERS COURT MET IN "REGULAR" CALLED MEETING
 WITH THE FOLLOWING OFFICERS AND MEMBERS PRESENT, TO WIT

JOHN P. THOMPSON COUNTY JUDGE, PRESIDING
 B E SLIM" SPEIGHTS COUNTY COMMISSIONER PCT#1, BOBBY SMITH COUNTY
 COMMISSIONER PCT#2 JAMES J "BUDDY" PURVIS COUNTY COMMISSIONER PCT#3,
 R R "DICK HUBERT COUNTY COMMISSIONER PCT#4, BARBARA MIDDLETON COUNTY
 CLERK & KAREN REMMERT COUNTY AUDITOR & THE FOLLOWING AGENDA
 ITEMS ORDERS, AND DECREES WERE DULY HAD, CONSIDERED & PASSED

- 1 WELCOME & CALLED TO ORDER BY JUDGE JOHN P THOMPSON AT 10 00 AM
PUBLIC COMMENTS
 SHEP GREEN OF BIG THICKET LAKE ESTATES, SAID HE IS LOOKING FORWARD
 TO THE NEW BRIDGE WHICH IS PLANNED FOR THE SUBDIVISION THE BIRD &
 BLOOM CLUB IS WORKING WITH LIVINGSTON PARK & RECREATION DEPT TO
 ERECT BIRD HOUSES IN PEDIGO PARK
- 2 **INFORMATIONAL REPORTS**
 - A SHERIFF BILLY RAY NELSON THANKED COMMISSIONERS COURT FOR THE
 MAINTENANCE REPAIRS & NEW CARPET AT THE SHERIFF S OFFICE & JAIL
 - B COMMISSIONER SMITH, REPORTED THE BRIDGE INTO WELLS LANDING SUBD
 IS WASHED OUT HE THANKED EMERGENCY MANAGEMENT DEPT &
 CHAMPION INTERNATIONAL FOR MAKING AN ALTERNATE WAY INTO
 THE SUBDIVISION
 - C JUDGE THOMPSON, ANNOUNCED A MEETING AT LIVINGSTON CITY HALL,
 JANUARY 28 1998 5 00 PM - 8 00 PM , TO DISCUSS THE HWY 190
 IMPROVEMENT PROJECT
 - D JUDGE THOMPSON, INVITED THE PUBLIC FOR A TOUR OF THE RECENTLY
 RENOVATED COURTROOM'S, AFTER THE NEXT COMMISSIONERS COURT ON
 JANUARY 27, 1998
- 3 MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J "Buddy" PURVIS, APPROVAL
 OF MINUTES FOR MEETING OF DECEMBER 23, 1997
 ALL VOTING YES
- 4 HELD, UNTIL THE END OF AGENDA
- 5 HELD, UNTIL THE END OF AGENDA
- 6 **BID #97-27 "NO BIDS RECEIVED"**
 MOTIONED BY BOBBY SMITH, SECONDED BY B E "Slim" SPEIGHTS, APPROVAL TO
 RE-ADVERTISE FOR BIDS "PURCHASE OF PUP TRAILER W/TRAP, FOR PCT#2"
 ALL VOTING YES

- 7 **BID #97-28**
MOTIONED BY BOBBY SMITH, SECONDED BY R R "Dick" HUBERT, APPROVAL TO AWARD BID TO CONROE FORD, FOR THE PURCHASE OF (7) SEVEN SHERIFF S DEPT VEHICLES, USING TRADE IN OF USED VEHICLES & INSURANCE REIMBURSEMENT OF ONE TOTALED VEHICLE, WITH BALANCE TO BE PAID BY TIME WARRANT
ALL VOTING YES
- 8 **BID #97-29**
MOTIONED BY BOBBY SMITH, SECONDED BY JAMES J "Buddy" PURVIS, TO AWARD PURCHASE OF USED (1993) LANDFILL COMPACTOR, TO MUSTANG FOR \$ 187,148 00, AS RECOMMENDED BY JAMES RICHARDSON
ALL VOTING YES
- 9 **BID #97-30 "SALE OF USED 1981 MACK DUMP TRUCK w/14 YD BED, PCT#4"**
NO BIDS RECEIVED
MOTIONED BY B E "Slim" SPEIGHTS, SECONDED BY BOBBY SMITH, TO DECLARE AS COUNTY SURPLUS EQUIPMENT & ALLOW COMMISSIONER HUBERT TO NEGOTIATE SALE CONTINGENT ON COMMISSIONERS COURT APPROVAL
ALL VOTING YES (SEE ATTACHED)
- 10 MOTIONED BY R R "Dick" HUBERT, SECONDED BY BOBBY SMITH, APPROVE DESIGNATION OF PCT #3, SURPLUS EQUIPMENT AND APPROVE TO ADVERTISE TO SELL USED GRADE-ALL
ALL VOTING YES (SEE ATTACHED)
- 11 **PRECINCT #2**
MOTIONED BY BOBBY SMITH, SECONDED BY B E "Slim" SPEIGHTS TO ACCEPT OFFER TO PURCHASE TAX FORECLOSURE PROPERTIES AS FOLLOWS
IMPALA WOODS #3, LOTS 8 & 9
ALL VOTING YES
- PRECINCT #4**
MOTIONED BY R R "Dick" HUBERT SECONDED BY BOBBY SMITH, TO ACCEPT OFFER TO PURCHASE TAX FORECLOSURE PROPERTIES, AS FOLLOWS
INDIAN SPRINGS LAKE ESTATES #13, LOTS 218-221
ALL VOTING YES
- 12 MOTIONED BY R R "Dick" HUBERT, SECONDED BY JAMES J "Buddy" PURVIS, TO APPROVE BUDGET AMENDMENT REQUEST #98-04, (SEE REVISED COPY, ATTACHED)
ALL VOTING YES

13 MOTIONED BY JAMES J "Buddy" PURVIS SECONDED BY BOBBY SMITH, TO APPROVE PAYMENT OF BILLS (by schedule) PLUS ADDENDUMS
ALL VOTING YES

DATE	AMOUNT	CHECK NUMBERS
12-23-97	-100 747 02	128746 Voided check
12-23 97	-20 00	127858 Voided check
12-23 97	-61 80	128019 Voided check
12-23 97	186 334 16	128897 - 128903
12-29-97	20,825 24	128904 - 128972
12-31-97	141 451 12	128973 - 128985
01-06-98	84,782 83	128986 - 129024
01 06-98	6 706 00	129025 - 129028
01-08-98	9 637 74	129029 - 129037
01 08-98	153,048 40	129038 - 129206
01-08-98	-45 68	#128670 VOID
01-08-98	-40 00	#124595 VOID
01-12-98	78 807 82	281 287 154-156 1047 1049 & 16

14 MOTIONED BY JAMES J "Buddy" PURVIS, SECONDED BY R R "Dick" HUBERT, TO APPROVE PERSONNEL ACTION FORMS (REVISED), AND REQUESTING JUDGE THOMPSON TO WRITE LETTER CONCERNING ITEM#1

COURT VOTES RECORDED AS FOLLOWS

JUDGE THOMPSON --- YES

COMM SPEIGHTS --- YES

COMM SMITH --- NO

COMM PURVIS --- YES

COMM HUBERT --- YES (SEE ATTACHED)

15 MOTIONED BY R R "Dick" HUBERT, SECONDED BY JAMES J "Buddy" PURVIS, TO CLARIFY PREVIOUS ACTION RECORDED 12/23/97, "TO APPROVE ROAD & BRIDGE PCT #3 PURCHASE OF TxDOT SURPLUS EQUIPMENT AND ISSUANCE OF TIME WARRANT FOR SAID PURCHASE (APPROVED DECEMBER 23, 1997 SESSION) AS PURCHASE OF "TRACK LOADER" AND SHOULD BE "GRADE-ALL" & ISSUANCE OF TWO YEAR TIME WARRANT FOR \$16,000 00
ALL VOTING YES

- 4 **JOE MORROW - FIRST SOUTHWEST COMPANY**
MOTIONED BY JAMES J "Buddy" PURVIS, SECONDED BY BOBBY SMITH, APPROVE
AGREEMENT FOR FINANCIAL ADVISORY SERVICES BETWEEN POLK COUNTY AND
FIRST SOUTHWEST COMPANY
ALL VOTING YES (SEE ATTACHED)
- 5 MOTIONED BY JAMES J "Buddy" PURVIS, SECONDED BY BOBBY SMITH, APPROVAL
OF ALL MATTERS INCIDENT AND RELATED TO THE ISSUANCE AND SALE OF
"POLK COUNTY, TEXAS PERMANENT IMPROVEMENT REFUNDING BONDS,
SERIES 1998" DATED JANUARY 15, 1998, INCLUDING THE ADOPTION OF
(I) AN ORDER AUTHORIZING THE ISSUANCE OF SUCH BONDS AND
(II) AN ORDER PROVIDING FOR THE REDEMPTION OF CERTAIN OUT-
STANDING OBLIGATIONS OF THE COUNTY, & ALSO AUTHORIZE JUDGE
JOHN P THOMPSON, TO SIGN ALL DOCUMENTS ON BEHALF OF THE COUNTY
ALL VOTING YES (SEE ATTACHED)
- 16 MOTIONED BY R R "Dick" HUBERT, SECONDED BY B E "Slim" SPEIGHTS TO
ADJOURN COURT THIS 13th DAY OF JANUARY 1998 AT 10 46 AM
ALL VOTING YES



JOHN P THOMPSON, COUNTY JUDGE

ATTEST


BARBARA MIDDLETON, COUNTY CLERK

**AGREEMENT
FOR
FINANCIAL ADVISORY SERVICES**

By and Between

POLK COUNTY, TEXAS

And

FIRST SOUTHWEST COMPANY

This Agreement is entered into by and between Polk County, Texas (the "Client") and First Southwest Company (the "Company"), effective as of the date of execution by the Client

1 This Agreement shall apply to any and all debt obligations that may be authorized and issued by or on behalf of the Client (hereinafter referred to collectively as the "Debt Instruments") from time to time during the period in which this Agreement shall be effective

2 The Company agrees to provide its professional services as Financial Advisor and agrees to coordinate all programs of financing as may be considered during the period in which this Agreement shall be effective and to assume those expenses set out in Appendix A, subject to reimbursement, provided, however, that its obligations to pay expenses shall not include any costs incident to litigation, mandamus action, test case or other similar legal actions

3 The Client has retained, or will retain municipal bond attorneys ("Bond Counsel")

4 The Company agrees to perform the following duties and all other duties as, in its judgement, may be necessary or advisable

a The Company will conduct a survey of the financial resources of the Client to determine the extent of its capacity to authorize, issue and service debt. This survey will include an analysis of existing debt structure as compared with the existing and projected sources of revenues which may be pledged to secure payment of debt service and, where appropriate, will include a study of the trend of the assessed valuation, and present and future taxing requirements of the Client

In the event revenues of existing or projected facilities operated by the Client are to be pledged to repayment of the Debt Instruments then under consideration, the survey will take into account any outstanding indebtedness payable from the revenues thereof, as well as additional revenues to be available from any additional sources, as projected by consultants employed by the Client. The Company will also take into account future financing needs and operations as projected by the Client's staff and consultants, if any, employed by the Client

b The Company will provide to the Client its recommendations on the Debt Instruments under consideration, including such elements as the date of issue, interest payment dates, principal payment dates, options of prior payment, security provisions, and any other additional provisions designed to make the issue attractive to investors

c The Company will advise the Client of current bond market conditions, forthcoming bond issues and other general information and economic data which, in the judgment of the Company could be expected to influence interest rates so that the date of sale of the Debt Instruments may be set at a time which, in the opinion of the Company, will be favorable

d In the event it is necessary to hold an election to authorize the Debt Instruments then under consideration, the Company will assist in coordinating the assembly and transmittal to Bond Counsel of such data as may be required for the preparation of necessary petitions, orders, resolutions, ordinances, notices and certificates in connection with the election

e The Company will recommend the method of sale of the Debt Instruments that, in its opinion, is in the best interest of the Client and will proceed, as directed by the Client, with one of the following methods

(i) Competitive Sale The Company will supervise the sale of the Debt Instruments at a competitive sale in accordance with procedures set out herein. The Company reserves the right, alone or in conjunction with others, to submit a bid for any Debt Instruments issued under this Agreement which the Client advertises for competitive bids. In compliance with Rule G-23 of the Municipal Securities Rulemaking Board, the Company will request consent to bid in writing, in any instance wherein the Company elects to bid, prior to submitting a bid for each installment of Debt Instruments.

(ii) Negotiated Sale The Company will recommend one or more securities broker/dealer firms as managers of an underwriting syndicate for the purposes of negotiating the purchase of the Debt Instruments and in no event will the Company participate either directly or indirectly, in the underwriting of the Debt Instruments. The Company will negotiate the interest rate with the managing underwriter.

f The Company will advise financial publications of the forthcoming sale of the Debt Instruments and provide them with all pertinent information, when appropriate.

g The Company will coordinate the preparation of the Notice of Sale and Bidding Instructions, Official Statement, Official Bid Form and such other documents as may be required. The Company will submit to the Client all such documents for examination, approval and certification. After such examination, approval and certification, the Company will provide the Client with a supply of all such documents sufficient to its needs and will distribute by mail sets of the same to prospective bidders and to banks, life, fire and casualty insurance companies, investment counselors and other prospective purchasers of the Debt Instruments. The Company will also provide sufficient copies of the Official Statement to the purchaser of the Debt Instruments in accordance with the Notice of Sale and Bidding Instructions. The expenses associated with printing and distribution of these documents will be paid by the Client.

h The Company will, after consulting with the Client, arrange for such reports and opinions of recognized independent consultants deemed necessary by the Company for the successful marketing of the Debt Instruments.

i Subject to the approval of the Client, the Company will organize and make arrangements for such investor information meetings as, in the judgement of the Company, may be necessary.

j The Company will make recommendations to the Client as to the advisability of obtaining a credit rating, or ratings, for the Debt Instruments and, when directed by the Client, the Company will coordinate the preparation of such information as, in the opinion of the Company, is required for submission to the rating agency, or agencies. In those cases where the advisability of personal presentation of information to the rating agency, or agencies, may be indicated, the Company will arrange for such personal presentations.

k The Company will make recommendations to the Client as to the advisability of obtaining municipal bond insurance or other credit enhancement, or qualifications for same, for the Debt Instruments and, when directed by the Client, the Company will coordinate the preparation of such information as, in the opinion of the Company, is required for submission to the appropriate company, institution or institutions. In those cases where the advisability of personal presentation of information to the appropriate company, institution or institutions, may be indicated, the Company will arrange for such personal presentations.

l The Company will assist the Client at any competitive sale of Debt Instruments in coordinating the receipt and tabulation of bids and the Company will advise the Client as to the best bid. The Company will provide the Client with its recommendations as to acceptance or rejection of such bid.

m Upon acceptance of the bid for the Debt Instruments by the Client, the Company will coordinate the efforts of all concerned to the end that the Debt Instruments may be delivered as expeditiously as possible. The Company will assist the Client in the preparation or verification of final closing figures incident to the delivery of the Debt Instruments.

n The Company will maintain liaison with Bond Counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the Debt Instruments. It is understood

that Bond Counsel will provide an unqualified legal opinion as to the legality of the issuance of the Debt Instruments at the time of delivery

o If requested, the Company will advise the Client with respect to the selection of a Paying Agent/ Registrar for the Debt Instruments, and will assist in the preparation of agreements pertinent to these services and the fees incident thereto

p In the event formal verification by an independent auditor of any calculations incident to the Debt Instruments is required, the Company will make arrangements for such services

q The Company agrees to coordinate, at the Client's expense, all work incident to printing of the Debt Instruments, obtaining approval, as may be required by the Attorney General, registration by the Comptroller of Public Accounts and delivery to the purchaser

r After the closing of the sale and delivery of the Debt Instruments, the Company will deliver to the Client a schedule of annual debt service requirements on the Debt Instruments. In coordination with Bond Counsel, the Company will assure that the Paying Agent/Registrar has been provided with a copy of the authorizing ordinance, order or resolution

s The Company will attend any and all meetings of the governing body of the Client, its staff, representatives or committees as requested at all times when the Company may be of assistance or service and the subject of financing is to be discussed

t The Company will advise the Client of changes, proposed or enacted, in Federal and State laws and regulations which would in the opinion of the Company significantly affect the municipal bond market

u The Company will work with the Client, its staff and any consultants employed by the Client in developing financial feasibility studies and analyzing alternative financing plans

5 In addition to the services set out above, the Company agrees to provide the following services when so requested

a The Company will provide its advice as to the investment of certain funds of the Client. The Company will, when so directed, purchase those investments authorized to be purchased and the Company will charge a normal and customary commission for each such transaction

b The Company will provide its advice and assistance with regard to exercising any call and/or refunding of any outstanding Debt Instruments

c The Company will provide its advice and assistance in the development of, and financing for, any capital improvements programs of the Client

d The Company will provide its advice and assistance in the development of the long-range financing plan of the Client.

e The Company will provide any other appropriate services when so requested by the Client for such fee as is mutually agreed upon by the Client and the Company

6 The fee due to the Company in accordance with Appendix A, attached hereto and incorporated herein, any other fees as may be mutually agreed and all expenses for which the Company is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Debt Instruments to the purchaser

7 This Agreement shall become effective at the date of acceptance by the Client set out herein below and remain in effect thereafter for a period of five years from the date of acceptance, provided, however, this Agreement may be terminated with or without cause by the Client upon thirty (30) days' written notice. In the event of such termination, it is agreed that only the amount due to the Company for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement

This Agreement is submitted in triplicate originals. When accepted by the Client, it, together with Appendix A attached hereto, will constitute the entire agreement between the Client and the Company

for the purposes herein specified Acceptance will be indicated by the signature of authorized officials of the Client on all three copies and the return of two executed copies to the Company

Respectfully submitted,

FIRST SOUTHWEST COMPANY

By Jeffrey J. [Signature] By Joe Moran

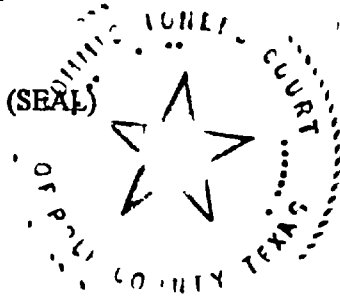
ACCEPTANCE CLAUSE

The above and foregoing is hereby in all things accepted and approved by Polk County on this the 13th day of January, 1998

By John P. [Signature]

ATTEST

[Signature]



APPENDIX A

FEE SCHEDULE AND EXPENSE ITEMS

In consideration for the financial advisory services rendered by the Company in connection with the authorization and issuance of Debt Instruments, it is agreed that the Client shall pay the Company a fee in accordance with the schedule below. Such fee shall become due and payable upon the delivery of the Debt Instruments to the purchaser.

Base Fee			\$ 3,000	
plus	\$12.50 per \$1,000 up to	\$ 250,000 or a total of	\$ 6,125 for a	\$ 250,000 Issue
plus	\$11.50 per \$1,000 up to	\$ 250,000 or a total of	\$ 9,000 for a	\$ 500,000 Issue
plus	\$ 7.00 per \$1,000 next	\$ 500,000 or a total of	\$12,500 for a	\$ 1,000,000 Issue
plus	\$ 5.00 per \$1,000 next	\$ 1,500,000 or a total of	\$20,000 for a	\$ 2,500,000 Issue
plus	\$ 2.75 per \$1,000 next	\$ 2,500,000 or a total of	\$26,875 for a	\$ 5,000,000 Issue
plus	\$ 2.50 per \$1,000 next	\$ 5,000,000 or a total of	\$39,375 for a	\$10,000,000 Issue
plus	\$ 1.95 per \$1,000 next	\$10,000,000 or a total of	\$58,875 for a	\$20,000,000 Issue
plus	\$ 1.35 per \$1,000 next	\$10,000,000 or a total of	\$72,375 for a	\$30,000,000 Issue
plus	\$ 1.30 per \$1,000 next	\$20,000,000 or a total of	\$98,375 for a	\$50,000,000 Issue
plus	\$ 1.25 per \$1,000 over	\$50,000,000		

The above schedule applies to any issue of debt instruments, and each issue of debt instruments constitutes one installment, multiple installments of a voted authorization are considered as one installment and are calculated as such.

The following expense items, if paid initially by First Southwest Company, shall be reimbursed by the Client:

- Bond Counsel fees and expenses and fee for Attorney General's Legal Review
- Preparation, printing and distribution of Official Statements, Limited offering Memorandums, and accompanying documents,
- Rating fees, etc.,
- Printing of debt instruments,
- Delivery of debt instruments,
- Fees and charges of Federal and/or State Agencies
- Reports of independent consultants,
- Travel in excess of 100 miles one-way,
- Duplication of documents @ ten cents per page

The payment of reimbursable expenses assumed by First Southwest Company on behalf of the Client shall not be contingent upon the delivery of bonds and shall be due and payable at the time services are rendered and such expenses are incurred.

AN ORDER authorizing the issuance of "POLK COUNTY, TEXAS, PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 1998", specifying the terms and features of said bonds, levying a continuing direct annual ad valorem tax for the payment of said bonds, and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement, a Purchase Contract and Special Escrow Agreement and the approval and distribution of an Official Statement pertaining thereto, and providing an effective date

WHEREAS, the Commissioners Court of Polk County, Texas (the "County") has heretofore issued, sold, and delivered, and there is currently outstanding, obligations totalling in principal amount \$1,925,000 (collectively, the "Refunded Obligations") more particularly described as follows

(1) Polk County, Texas, Certificates of Obligation, Series 1986, dated May 15, 1986, scheduled to mature on February 15 in each of the years 1999 through 2002, and aggregating in principal amount \$400,000,

(2) Polk County, Texas, Certificates of Obligation, Series 1990, dated October 15, 1990, scheduled to mature on August 15 in each of the years 2002 through 2005, and aggregating in principal amount \$775,000,

(3) Polk County, Texas, Tax and Solid Waste Disposal System Surplus Revenue Certificates of Obligation, Series 1991, dated October 15, 1991, scheduled to mature on August 15 in each of the years 2004 through 2006, and aggregating in principal amount \$750,000,

AND WHEREAS, pursuant to the provisions of Article 717k, V A T C S , as amended, the Commissioners Court is authorized to issue refunding bonds and deposit the proceeds of sale thereof directly with any place of payment for the Refunded Obligations, and such deposit, when made in accordance with said statute, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations, and

WHEREAS, the Commissioners Court hereby finds and determines that refunding bonds should be issued at this time to refund the

Refunded Obligations, and such refunding will result in the County saving approximately \$138,639 67 in debt service payments on such indebtedness and further provide present value savings of approximately \$83,014 47, now, therefore,

BE IT ORDERED, ADJUDGED AND DECREED BY THE COMMISSIONERS COURT OF POLK COUNTY, TEXAS

SECTION 1 Authorization - Designation - Principal Amount - Purpose Refunding bonds of the County shall be and are hereby authorized to be issued in the aggregate principal amount of \$2,070,000, to be designated and bear the title "POLK COUNTY, TEXAS, PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 1998" (hereinafter referred to as the "Bonds"), for the purpose of providing funds for the discharge and final payment of certain outstanding obligations of the County (identified in the preamble hereof and referred to as the "Refunded Obligations") and to pay costs of issuance, in accordance with authority conferred by and in conformity with the Constitution and laws of the State of Texas, including Article 717k, V A T C S

SECTION 2 Fully Registered Obligations - Bond Date - Authorized Denominations - Stated Maturities - Interest Rates The Bonds shall be issued as fully registered obligations only, shall be dated January 15, 1998 (the "Issue Date"), shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, and shall become due and payable on February 15 in each of the years and in principal amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule

<u>YEAR OF MATURITY</u>	<u>PRINCIPAL INSTALLMENTS</u>	<u>INTEREST RATE</u>
1999	\$130,000	3 75%
2000	125,000	3 80%
2001	125,000	3 90%
2002	300,000	3 95%
2003	190,000	4 00%
2004	445 000	4 10%
2005	485,000	4 20%
2006	270,000	4 25%

The Bonds shall bear interest on the unpaid principal amounts from the Issue Date at the rate(s) per annum shown above in this Section (calculated on the basis of a 360-day year of twelve 30-day months) Interest on the Bonds shall be payable on February 15 and August 15 in each year, commencing August 15, 1998

SECTION 3 Terms of Payment - Paying Agent/Registrar

The principal of, premium, if any, and the interest on the Bonds, due and payable by reason of maturity or otherwise, shall be payable only to the registered owners or holders of the Bonds (hereinafter called the "Holders") appearing on the registration and transfer books maintained by the Paying Agent/Registrar and the payment thereof shall be in any coin or currency of the United States of America, which at the time of payment is legal tender for the payment of public and private debts, and shall be without exchange or collection charges to the Holders

The selection and appointment of The Bank of New York, New York, New York to serve as Paying Agent/Registrar for the Bonds is hereby approved and confirmed. Books and records relating to the registration, payment, exchange and transfer of the Bonds (the "Security Register") shall at all times be kept and maintained on behalf of the County by the Paying Agent/Registrar, all as provided herein, in accordance with the terms and provisions of a "Paying Agent/Registrar Agreement", substantially in the form attached hereto as Exhibit A and such reasonable rules and regulations as the Paying Agent/Registrar and the County may prescribe. The County Judge and County Clerk are hereby authorized to execute and deliver such Agreement in connection with the delivery of the Bonds. 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 qualified and authorized to serve in such capacity and perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Bonds the County agrees to promptly cause a written notice thereof to be sent to each Holder by United States Mail, first class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and premium, if any, on the Bonds shall be payable at the Stated Maturities, only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its designated offices in Houston, Texas (the "Designated Payment/Transfer Office"). Interest on the Bonds shall be paid to the Holders whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States Mail, first class postage prepaid, to the address of the Holder recorded in the Security Register or (ii) by such other method, acceptable to the Paying Agent/ Registrar, requested by, and at the risk and expense of, the Holder. If the date for the payment of the principal of or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the

County where the Designated Payment/Transfer Office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a Saturday, Sunday, legal holiday, or day when banking institutions are authorized to close, and payment on such date shall have the same force and effect as if made on the original date payment was due

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/ Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the 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 (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder 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 4 Non-Redeemable The Bonds shall not be subject to redemption prior to maturity at the option of the County

SECTION 5 Registration - Transfer - Exchange of Bonds- Predecessor Bonds The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of each and every owner of the Bonds issued under and pursuant to the provisions of this Order, or if appropriate, the nominee thereof. Any Bond may be transferred or exchanged for Bonds of other authorized denominations by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar at the Designated Payment/Transfer Office for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar

Upon surrender of any Bond for transfer at the Designated Payment/Transfer Office of the Paying Agent/Registrar, one or more new Bonds shall be registered and issued to the assignee or transferee of the previous Holder, such Bonds to be in authorized denominations, of like Stated Maturity and of a like aggregate principal amount as the Bond or Bonds surrendered for transfer

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest and of like aggregate principal amount as the Bonds surrendered for exchange, upon

surrender of the Bonds to be exchanged at the Designated Payment/Transfer Office of the Paying Agent/ Registrar Whenever any Bonds are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds to the Holder requesting the exchange

All Bonds issued in any transfer or exchange of Bonds shall be delivered to the Holders at the Designated Payment/Transfer Office of the Paying Agent/Registrar or sent by United States Mail, first class, postage prepaid to the Holders, and, upon the registration and delivery thereof, the same shall be the valid obligations of the County, evidencing the same obligation to pay, and entitled to the same benefits under this Order, 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 Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange

Bonds cancelled 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 obligation to pay 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, lost, destroyed, or stolen Bond for which a replacement Bond has been issued, registered and delivered in lieu thereof pursuant to the provisions of Section 11 hereof and such new replacement Bond shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond

SECTION 6 Book-Entry Only Transfers and Transactions
Notwithstanding the provisions contained in Sections 3 and 5 hereof relating to the payment, and transfer/exchange of the Bonds, the County hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system provided by The Depository Trust Company (DTC), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Letter of Representation, by and between the County, the Paying Agent/Registrar and DTC (the "Depository Agreement") relating to the Bonds

Pursuant to the Depository Agreement and the rules of DTC, the Bonds shall be deposited with DTC who shall hold said Bonds for its participants (the "DTC Participants") While the Bonds

are held by DTC under the Depository Agreement, the Holder of the Bonds on the Security Register for all purposes, including payment and notices, shall be Cede & Co, as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Bond (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants

In the event DTC determines to discontinue serving as securities depository for the Bonds or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the County determines that DTC is incapable of properly discharging its duties as securities depository for the Bonds, the County covenants and agrees with the Holders of the Bonds to cause Bonds to be printed in definitive form and provide for the Bond certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Bonds in definitive form shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Bonds shall be made in accordance with the provisions of Sections 3 and 5 hereof

SECTION 7 Execution - Registration The Bonds shall be executed on behalf of the County by the County Judge under its seal reproduced or impressed thereon and countersigned 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 on the Issue Date 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 the Bond Procedures Act of 1981, as amended. Additionally, when the Bonds are delivered to the initial purchaser(s), the County Treasurer, or person charged with performing the duties of the County Treasurer, shall register the Bonds on the records of the County

No Bond shall be entitled to any right or benefit under this Order, 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 Section 9C, manually executed by the Comptroller of Public Accounts of the State of Texas, or his duly authorized agent, or a certificate of registration substantially in the form provided in Section 9D, manually executed by an authorized officer, employee or representative of the Paying Agent/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 8 Initial Bond(s) The Bonds herein authorized shall be initially issued either (i) as a single fully registered bond in the total principal amount shown in Section 1 hereof in principal installments to become due and payable as provided in Section 2 hereof and numbered T-1, or (ii) as eight (8) fully registered bonds, being one bond for each year of maturity in the applicable principal amount and denomination and to be numbered consecutively from T-1 and upward (hereinafter called the "Initial Bond(s)") and, in either case, the Initial Bond(s) shall be registered in the name of the initial purchaser(s) or the designee thereof. The Initial Bond(s) shall be the Bonds submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the initial purchaser(s). Any time after the delivery of the Initial Bond(s), the Paying Agent/Registrar, pursuant to written instructions from the initial purchaser(s), or the designee thereof, shall cancel the Initial Bond(s) delivered hereunder and exchange therefor definitive Bonds of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor, all pursuant to and in accordance with such written instructions from the initial purchaser(s), or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 9 Forms A Forms Generally The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds, shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including insurance legends on insured Bonds and any reproduction of an opinion of counsel) thereon as may, consistently herewith, be established by the County or determined by the officers executing such Bonds as evidenced by their execution. 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 definitive Bonds and the Initial Bond(s) shall be printed, lithographed, or engraved or typewritten, photocopied or otherwise reproduced in any other similar manner, all as determined by the officers executing such Bonds as evidenced by their execution thereof.

B Form of Definitive Bond

REGISTERED
NO _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
POLK COUNTY, TEXAS,
PERMANENT IMPROVEMENT REFUNDING BOND,
SERIES 1998

Issue Date	Interest Rate	Stated Maturity	CUSIP NO
January 15, 1998	_____	_____	_____

Registered Owner

Principal Amount DOLLARS

The County of Polk (hereinafter referred to as the "County"), a body corporate and political subdivision in the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated, without right of prior redemption, and to pay interest on the unpaid principal amount hereof from the Issue Date 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 February 15 and August 15 in each year, commencing August 15, 1998. Principal of this Bond is payable at its Stated Maturity to the registered owner hereof, upon presentation and surrender, at the Designated Payment/Transfer Office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the registered owner of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) 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 last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded 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. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$2,070,000 (herein referred to as the "Bonds") for the purpose of providing funds for the discharge and final payment of certain outstanding obligations of the County and to pay costs of issuance, under and in strict conformity with the Constitution and laws of the State of Texas, including Article 717k, V A T C S , and pursuant to an Order adopted by the Commissioners Court of the County (herein referred to as the "Order")

The Bonds are payable from the proceeds of an ad valorem tax levied, within the limitations prescribed by law, upon all taxable property in the County. Reference is hereby made to the Order, a copy of which is on file in the Designated Payment/Transfer Office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Bond by the acceptance hereof hereby assents, for definitions of terms, the description of and the nature and extent of the tax levied for the payment of the Bonds, the terms and conditions relating to the transfer or exchange of this Bond, the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders, the rights, duties, and obligations of the County and the Paying Agent/Registrar, the terms and provisions upon which this Bond may be discharged at or prior to its maturity, and deemed to be no longer Outstanding thereunder, and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred on the Security Register only upon its presentation and surrender at the Designated Payment/Transfer Office of the Paying Agent/Registrar, 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. When a transfer on the Security Register occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued by the Paying Agent/Registrar 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 hereof at its Stated Maturity, and (iii) on any other date as the owner for all other purposes, and neither the County nor the Paying Agent/Registrar, or 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 (5) business days prior to the Special Record Date by United States Mail, first class postage prepaid, to the address of each Holder 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 body corporate and political subdivision duly organized and legally existing under and by virtue of the Constitution and laws of the State of Texas, that the issuance of the Bonds is duly authorized by law, that all acts, conditions and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the County 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 the Bonds do not exceed any Constitutional or statutory limitation, and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated 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

IN WITNESS WHEREOF, the Commissioners Court of the County has caused this Bond to be duly executed under the official seal of the County as of the Issue Date

POLK COUNTY, TEXAS

COUNTERSIGNED

County Judge

County Clerk

(SEAL)

C *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond(s) only

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER /
OF PUBLIC ACCOUNTS (REGISTER NO _____
THE STATE OF TEXAS (

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)

*NOTE TO PRINTER Do Not Print on Definitive Bonds

D Form of Certificate of Paying Agent/Registrar to appear on Definitive Bonds only

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued and registered under the provisions of the within-mentioned Order, the bond or bonds of the above entitled 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

The designated offices of the Paying Agent/Registrar in Houston, Texas, is the "Designated Payment/Transfer Office" for this Bond

THE BANK OF NEW YORK,
New York, New York,
as Paying Agent/Registrar

Registration date _____ By _____
Authorized Signature

E Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee)

(Social Security or other identifying number) 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

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

F The Initial Bond(s) shall be in the form set forth in paragraph B of this Section, except that the form of the single fully registered Initial Bond shall be modified as follows

(i) immediately under the name of the bond the headings "Interest Rate _____" and "Stated Maturity _____" shall both be omitted,

(ii) Paragraph one shall read as follows

Registered Owner

Principal Amount

Dollars

The County of Polk (hereinafter referred to as the "County"), a body corporate and political subdivision in the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on February 15 in each of the years and in principal installments in accordance with the following schedule

YEAR OF
MATURITYPRINCIPAL
INSTALLMENTSINTEREST
RATE(Information to be inserted from
schedule in Section 2 hereof)

(without right of prepayment prior to maturity) and to pay interest on the unpaid Principal Amount hereof from the Issue Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months, such interest being payable on February 15 and August 15 in each year, commencing August 15, 1998. Principal installments of this Bond are payable in the year of maturity to the registered owner hereof by The Bank of New York, New York, New York, (the "Paying Agent/Registrar"), upon presentation and surrender, at its designated offices in Houston, Texas ("the "Designated Payment/Transfer Office"). Interest is 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 last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent United States Mail, first class postage prepaid, to the address of the registered owner recorded 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. All payments of principal of, premium, if any, and interest on this Bond shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

SECTION 10 Levy of Taxes To provide for the payment of the "Debt Service Requirements" of the Bonds, being (1) the interest on the Bonds and (11) a sinking fund for their redemption at maturity or a sinking fund of 2% (whichever amount is the greater), there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the County, within the limitations prescribed by law, and such tax hereby levied on each one hundred dollars' valuation of taxable property in the County for the Debt Service Requirements of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of and interest on said Bonds while Outstanding, full allowance being made for delinquencies and costs of collection, separate books and records relating to the receipt and disbursement of taxes levied, assessed and collected for and on account of the Bonds shall be kept and maintained by the County at all times while the Bonds are Outstanding, and the taxes collected for the payment of the Debt Service Requirements on the Bonds

shall be deposited to the credit of a "Special 1998 Refunding Bond Account" (the "Interest and Sinking Fund") maintained on the records of the County and deposited in a special fund maintained at an official depository of the County's funds, and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds

Proper officers of the County are hereby authorized and directed to cause to be transferred to the Paying Agent/ Registrar for the Bonds, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Bonds as the same accrues or matures, such transfers of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Bonds

In regard to the debt service payment to become due on the Bonds on August 15, 1998, sufficient current funds will be available and are hereby appropriated to make such payment, and proper officials of the County are hereby authorized and directed to transfer and deposit to the credit of the Interest and Sinking Fund, such current funds which, together with the accrued interest received from the purchaser, will be sufficient to pay the amount due on the Bonds on August 15, 1998

SECTION 11 Mutilated - Destroyed - Lost and Stolen Bonds

In case any Bond shall be mutilated, or destroyed, lost or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond, or in lieu of and in substitution for such destroyed, lost or stolen Bond, only upon the approval of the County and after (1) the filing by the Holder thereof with the Paying Agent/ Registrar of evidence satisfactory to the Paying Agent/ Registrar of the destruction, loss or theft of such Bond, and of the authenticity of the ownership thereof and (11) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the County and the Paying Agent/ Registrar harmless All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the Holder of the Bond mutilated, or destroyed, lost or stolen

Every replacement Bond issued pursuant to this Section shall be a valid and binding obligation, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds, notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Bonds

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds

SECTION 12 Satisfaction of Obligation of County If the County shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the County to the Holders shall thereupon cease, terminate, and be discharged and satisfied

Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amount(s) thereof at maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/ Registrar, or an authorized escrow agent, which Government Securities have been certified by an independent accounting firm to mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. The County covenants that no deposit of moneys or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as "arbitrage bonds" within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto

Any moneys so deposited with the Paying Agent/ Registrar, or an authorized escrow agent, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amount(s) thereof, or interest thereon with respect to which such moneys have been so deposited shall be remitted to the County or deposited as directed by the County. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of four (4) years after the Stated Maturity of the Bonds such moneys were deposited and are held in trust to pay shall upon the request of the County be remitted to the County against a written receipt therefor. Notwithstanding the above and foregoing, any remittance

of funds from the Paying Agent/Registrar to the County shall be subject to any applicable unclaimed property laws of the State of Texas

The term "Government Securities", as used herein, means direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America, which are non-callable prior to the respective Stated Maturities of the Bonds and may be United States Treasury Obligations such as the State and Local Government Series and may be in book-entry form

SECTION 13 Order a Contract - Amendments - Outstanding Bonds This Order shall constitute a contract with the Holders from time to time, be binding on the County, and shall not be amended or repealed by the County so long as any Bond remains Outstanding except as permitted in this Section. The County may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the County may, with the consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order, provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by Holders for consent to any such amendment, addition, or rescission

The term "Outstanding" when used in this Order with respect to Bonds means, as of the date of determination, all Bonds theretofore issued and delivered under this Order, except

(1) those Bonds cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation,

(2) those Bonds deemed to be duly paid by the County in accordance with the provisions of Section 12 hereof, and

(3) those mutilated, destroyed, lost, or stolen Bonds which have been replaced with Bonds

registered and delivered in lieu thereof as provided in Section 11 hereof

SECTION 14 Covenants to Maintain Tax-Exempt Status (a) Definitions When used in this Section, the following terms shall have the following meanings

"Closing Date" means the date on which the Bonds are first authenticated and delivered to the initial purchasers against payment therefor

"Code" means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date

"Computation Date" has the meaning set forth in Section 1 148-1(b) of the Regulations

"Gross Proceeds" means any proceeds as defined in Section 1 148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1 148-1(c) of the Regulations, of the Bonds

"Investment" has the meaning set forth in Section 1 148-1(b) of the Regulations

"Nonpurpose Investment" means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds

"Rebate Amount" has the meaning set forth in Section 1 148-1(b) of the Regulations

"Regulations" means any proposed, temporary, or final Income Tax Regulations issued pursuant to Sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced

"Yield" of (1) any Investment has the meaning set forth in Section 1 148-5 of the Regulations and (2) the Bonds has the meaning set forth in Section 1 148-4 of the Regulations

(b) Not to Cause Interest to Become Taxable The County shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the County receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the County shall comply with each of the specific covenants in this Section

(c) No Private Use or Private Payments Except as permitted by section 141 of the Code and the Regulations and rulings thereunder, the County shall at all times prior to the last Stated Maturity of Bonds

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public, and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the County or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes

(d) No Private Loan Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the County shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a

state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the County shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Closing Date of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the County shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report The County shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) No Rebate Required The City warrants and represents that it satisfies the requirements of paragraphs (2) and (3) of section 148(f) of the Code with respect to the Bonds without making the payments to the United States described in such section. Specifically, the City warrants and represents that

(1) the City is a governmental unit with general taxing powers,

(2) at least 95% of the Gross Proceeds of the Bonds will be used for the local governmental activities of the City,

(3) the aggregate face amount of all tax-exempt obligations issued or expected to be issued by the City

(and all subordinate entities thereof) in the calendar year in which the Bonds are issued is not reasonably expected to exceed \$5,000,000,

(4) the average maturity date of the Bonds is not later than the average maturity date of the Refunded Obligations, both as calculated in accordance with section 147(b)(2)(A) of the Code,

(5) no Bond has a maturity date which is later than 30 years from the date of issuance of the Refunded Obligations,

(6) no Refunded Obligation was an industrial development bond, as defined in section 103(b)(2) of the Internal Revenue Code of 1954 (the "1954 Code") as amended to October 22, 1986 (but without regard to subparagraph (B) of section 103(b)(3)) or a private loan bond, as defined in section 103(o)(2)(A) of the 1954 Code (but without regard to any exception from such definition other than section 103(o)(2)(C), and

(7) each series of the Refunded Obligations met the "small issuer" exception to rebate for governmental units issuing \$5,000,000 or less of bonds under section 148(f)(4)(D) of the Code

(i) Elections The County hereby directs and authorizes the County Judge, County Clerk and County Auditor, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document

(j) Bonds Not Hedge Bonds (1) At the time the original bonds refunded by the Bonds were issued, the County reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued and (2) not more than 50% of the proceeds of the original bonds refunded by the Bonds were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more

(k) Qualified Advance Refunding The Bonds are issued exclusively to refund the Refunded Obligations, and the Bonds will be issued more than 90 days before the redemption of the Refunded Obligations The County represents as follows

(1) The Bonds are the first advance refunding of the Series 1990 and Series 1991 Refunded Obligations, within the meaning of section 149(d)(3) of the Code. The Bonds are a current refunding of the Series 1986 Refunded Obligations since such Series 1986 Refunded Obligations will be paid and redeemed in full on February 15, 1998, which date is within 90 days of the date of delivery of the Bonds.

(2) The Refunded Obligations are being called for redemption, and will be redeemed not later than the earliest date on which such bonds may be redeemed and on which the County will realize present value debt service savings (determined without regard to administrative expenses) on the issue.

(3) The initial temporary period under section 148(c) of the Code will end (i) with respect to the proceeds of the Bonds not later than 30 days after the date of issue of such Bonds, and (ii) with respect to proceeds of the Refunded Obligations on the Closing Date if not ended prior thereto.

(4) On and after the date of issue of the Bonds, no proceeds of the Refunded Obligations will be invested in Nonpurpose Investments having a Yield in excess of the Yield on such Refunded Obligations.

(5) The Bonds are being issued for the purposes stated in the preamble of this Order. There is a present value savings associated with the refunding. In the issuance of the Bonds the County has neither (i) overburdened the tax-exempt bond market by issuing more bonds, issuing bonds earlier or allowing bonds to remain outstanding longer than reasonably necessary to accomplish the governmental purposes for which the Bonds were issued, (ii) employed on "abusive arbitrage device" within the meaning of Section 1.148-10(a) of the Regulations, nor (iii) employed a "device" to obtain a material financial advantage based on arbitrage, within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates and reduced debt service payments in early years.

SECTION 15 Qualified Tax Exempt Obligations In accordance with the provisions of paragraph (3) of subsection (b) of Section 265 of the Code, the County hereby designates the Bonds to be "qualified tax exempt obligations" in that the Bonds are not "private activity bonds" as defined in the Code and the reasonably anticipated amount of "qualified tax exempt obligations" to be

issued by the County (including all subordinate entities of the County) for the calendar year in which the Bonds are issued will not exceed \$10,000,000

SECTION 16 Sale of Bonds - Official Statement Approval
The Bonds authorized by this Order are hereby sold by the County to Southwest Securities, Inc (herein referred to as the "Purchasers") in accordance with the Purchase Contract, dated January 13, 1998, attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes. The County Judge is hereby authorized and directed to execute said Purchase Contract for and on behalf of the County and as the act and deed of this Court, and the County Clerk is authorized to attest said Purchase Contract, and in regard to the approval and execution of the Purchase Contract, the Court hereby finds, determines and declares that the representations, warranties and agreements of the County contained therein are true and correct in all material respects and shall be honored and performed by the County.

Furthermore, the use of the Preliminary Official Statement in connection with the public offering and sale of the Bonds is hereby ratified, confirmed and approved in all respects. The final Official Statement reflecting the terms of sale, attached as Exhibit A to the Purchase Contract (together with such changes approved by the County Judge, County Clerk, County Auditor or County Treasurer, any one or more of said officials), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute said final Official Statement, dated January 13, 1998, in the reoffering, sale and delivery of the Bonds to the public. The County Judge and County Clerk are further authorized and directed to manually execute and deliver for and on behalf of the County copies of said Official Statement in final form as may be required by the Purchasers, and such Official Statement in the final form and content manually executed by any one or more of said officials shall be deemed to be approved by the Commissioners Court and constitute the Official Statement authorized for distribution and use by the Purchasers.

SECTION 17 Special Escrow Agreement Approval and Execution
The "Special Escrow Agreement" (the "Agreement") by and between the County and The Bank of New York, New York, New York (the "Escrow Agent"), attached hereto as Exhibit C and incorporated herein by reference as a part of this Order for all purposes, is hereby approved as to form and content, and such Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the County, is hereby authorized to be executed by the County Judge and County Clerk for and on behalf of the County and as the act and deed of the

Commissioners Court, and such Agreement as executed by said officials shall be deemed approved by the Commissioners Court and constitute the Agreement herein approved

Furthermore, appropriate officials of the County in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the Federal Securities referenced in the Agreement and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "SPECIAL 1998 POLK COUNTY, TEXAS, REFUNDING BOND ESCROW FUND" (the "Escrow Fund"), all as contemplated and provided in Article 717k, V A T C S , as amended, this Order and the Agreement

SECTION 18 Control and Custody of Bonds The County Judge shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond(s) pending the approval thereof by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery thereof to the Purchasers

Furthermore, the County Judge, County Clerk, County Auditor and County Treasurer, any one or more of said officials, are hereby authorized and directed to furnish and execute such agreements, documents and certifications relating to the County and the issuance, sale and delivery of the Bonds, including certifications as to facts, estimates, circumstances and reasonable expectations pertaining to the use, expenditure and investment of the proceeds of the Bonds, as may be necessary for the approval of the Attorney General, the registration by the Comptroller of Public Accounts and the delivery of the Bonds to the Purchasers, and, together with the County's financial advisor, bond counsel and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond(s) to the Purchasers and the initial exchange thereof for definitive Bonds

SECTION 19 Proceeds of Sale Immediately following the delivery of the Bonds, the proceeds of sale (less certain costs of issuance and the accrued interest received from the Purchaser of the Bonds) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Agreement. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance and deposited in the Interest and Sinking Fund for the Bonds

Additionally, on or immediately prior to the date of the delivery of the Bonds to the Purchasers, the County Treasurer

shall cause to be transferred in immediately available funds to the Escrow Agent from moneys on hand in the interest and sinking fund maintained for the payment of the Refunded Obligations and other available funds of the County the sum of \$89,250 00 to accomplish the refunding

SECTION 20 Notices to Holders - Waiver Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States Mail, first class postage prepaid, to the address of each Holder appearing in the Security Register at the close of business on the business day next preceding the mailing of such notice

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Bonds Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver

SECTION 21 Cancellation All Bonds surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly cancelled by it and, if surrendered to the County, shall be delivered to the Paying Agent/Registrar and, if not already cancelled, shall be promptly cancelled by the Paying Agent/ Registrar The County may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the County may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Paying Agent/Registrar All cancelled Bonds held by the Paying Agent/Registrar shall be returned to the County

SECTION 22 Market Opinion The obligation of the Purchasers to accept delivery of the Bonds is subject to being furnished a final opinion of Fulbright & Jaworski L L P , Attorneys, Dallas, Texas, approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds A true and correct reproduction of said opinion is hereby authorized to be printed on definitive printed obligations

SECTION 23 CUSIP Numbers CUSIP numbers may be printed or typed on the Bonds deposited with The Depository Trust Company or on printed definitive Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive 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 definitive Bonds.

SECTION 24 Benefits of Order Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the County, the Paying Agent/Registrar and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the County, the Paying Agent/Registrar and the Holders.

SECTION 25 Inconsistent Provisions All orders or resolutions, or parts thereof, which are in conflict or inconsistent with any provision 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 26 Governing Law This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 27 Effect of Headings The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 28 Construction of Terms If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 29 Severability If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and the Commissioners Court hereby declares that this Order would have been enacted without such invalid provision.

SECTION 30 Incorporation of Findings and Determinations
The findings and determinations of the Commissioners Court contained in the preamble hereof are hereby incorporated by reference and made a part of this Order for all purposes as if the same were restated in full in this Section

SECTION 31 Continuing Disclosure Undertaking (a)
Definitions As used in this Section, the following terms have the meanings ascribed to such terms below

"MSRB" means the Municipal Securities Rulemaking Board

"NRMSIR" means each person whom the SEC or its staff has determined to be a nationally recognized municipal securities information repository within the meaning of the Rule from time to time

"Rule" means SEC Rule 15c2-12, as amended from time to time or officially interpreted by the SEC

"SEC" means the United States Securities and Exchange Commission

"SID" means any person designated by the State of Texas or an authorized department, officer, or agency thereof as, and determined by the SEC or its staff to be, a state information depository within the meaning of the Rule from time to time

(b) Annual Reports The County shall provide annually to any SID, within six months after the end of each fiscal year (beginning with the fiscal year ending September 30, 1997) financial information and operating data with respect to the County of the general type included in the final Official Statement approved by Section 16 of this Order and described in Exhibit D hereto. Financial statements to be provided shall be (1) prepared in accordance with the accounting principles described in Exhibit D hereto and (2) audited, if the County commissions an audit of such statements and the audit is completed within the period during which they must be provided. If audited financial statements are not available at the time the financial information and operating data must be provided, then the County shall provide unaudited financial statements for the applicable fiscal year to any SID with the financial information and operating data and will file the annual audit report when and if the same becomes available

If the County changes its fiscal year, it will notify 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 any SID or filed with the SEC

(c) *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

- 1 Principal and interest payment delinquencies,
- 2 Non-payment related defaults,
- 3 Unscheduled draws on debt service reserves reflecting financial difficulties,
- 4 Unscheduled draws on credit enhancements reflecting financial difficulties,
- 5 Substitution of credit or liquidity providers, or their failure to perform,
- 6 Adverse tax opinions or events affecting the tax-exempt status of the Bonds,
- 7 Modifications to rights of holders of the Bonds,
- 8 Bond calls,
- 9 Defeasances,
- 10 Release, substitution, or sale of property securing repayment of the Bonds, and
- 11 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 subsection (b) of this Section by the time required by such Section

(d) *Limitations, Disclaimers, and Amendments* The County shall be obligated to observe and perform the covenants specified in this Section with respect to the County and the Bonds while, but only while, 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 the notice required by subsection (c) hereof of any Bond calls and defeasance that cause the County to be no longer such an "obligated person "

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any

legal or equitable right, remedy, or claim hereunder to any other person. The County undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the financial results, condition, or prospects of the County or the State of Texas or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The County does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

The provisions of this Section may be amended by the County from time to time to adapt to changed circumstances resulting from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the County, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a Person that is unaffiliated with the County (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The provisions of this Section may also be amended from time to time or repealed by the County if the SEC

amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the County's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. 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 subsection (b) an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

SECTION 32 Municipal Bond Insurance The Bonds have been sold with the principal of and interest thereon being insured by Financial Security Assurance Inc (hereinafter called "Insurer"), a New York stock insurance company, or any successor thereto or assigns thereof, pursuant to an insurance policy (the "Insurance Policy") issued by the Insurer guaranteeing the scheduled payment of principal of and interest on the Bonds when due. In accordance with the terms and conditions applicable to insurance provided by Insurer, the County covenants and agrees that, in the event the principal and interest due on the Bonds shall be paid by Insurer pursuant to the policy referred to this Section, the assignment and pledge of all funds and all covenants, agreements and other obligations of the County to the Holders shall continue to exist and Insurer shall be subrogated to the rights of such Holders, and furthermore, the County covenants and agrees that

(a) Insurer shall be deemed to be a Holder for the purpose of exercising any voting right or privilege or giving any consent or direction or taking any other action that the Holders are entitled to take pursuant to this Order

(b) No waiver, modification, amendment or supplement to this Order may become effective without prior notice to Insurer

Copies of any modification or amendment to this Order shall be sent to Standard & Poor's Ratings Services and Moody's Investors Service, Inc

(c) Amounts paid by the Insurer under the Insurance Policy shall not be deemed paid for purposes of this Order and shall remain Outstanding and continue to be due and owing until paid by the County in accordance with this Order. The Insurer shall, to the extent it makes any payment of principal of or interest on the Bonds, become subrogated to the rights of the recipients of such payments in accordance with the terms

of the Insurance Policy This Order shall not be discharged unless all amounts due or to become due to the Insurer have been paid in full or duly provided for

(d) Claims upon the Insurance Policy and Payments by and to Insurer If, on the business day prior to the related scheduled interest payment date or principal payment date or the date to which bond maturity has been accelerated ("Payment Date") there is not on deposit with the Paying Agent/Registrar, after making all transfers and deposits required under this Order, moneys sufficient to pay the principal of and interest on the Bonds due on such Payment Date, the Paying Agent shall make a claim under the Insurance Policy and shall give notice to Insurer and to its designated agent (if any) (the "Insurer's Fiscal Agent") by telephone or telecopy of the amount of such deficiency and the allocation of such deficiency between the amount required to pay interest on the Bonds and the amount required to pay principal of the Bonds, confirmed in writing to Insurer and the Insurer's Fiscal Agent by 12 00 noon, New York City time, on such business day by filling in the form of Notice of Claim and Certificate delivered with the Insurance Policy

In the event the claim to be made is for a mandatory sinking fund redemption installment, upon receipt of the moneys due, the Paying Agent/Registrar shall authenticate and deliver to affected Holders who surrender their Bonds a new Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond surrendered The Paying Agent/Registrar shall designate any portion of payment of principal on Bonds paid by Insurer, whether by virtue of mandatory sinking fund redemption, maturity or other advancement of maturity, on its books as a reduction in the principal amount of Bonds registered to the then current Holder, whether DTC or its nominee or otherwise, and shall issue a replacement Bond to Insurer, registered in the name of Financial Security Assurance Inc, in a principal amount equal to the amount of principal paid (without regard to authorized denominations), provided that the Paying Agent/Registrar's failure to so designate any payment or issue any replacement Bond shall have no effect on the amount of principal or interest payable by the County on any Bond or the subrogation rights of Insurer

The Paying Agent/Registrar shall keep a complete and accurate record of all funds deposited by Insurer

into the Policy Payments Account and the allocation of such funds to payment of interest on and principal paid in respect of any Bond Insurer shall have the right to inspect such records at reasonable times upon reasonable notice to the Paying Agent/Registrar

Upon payment of a claim under the Insurance Policy the Paying Agent/Registrar shall establish a separate special purpose trust account for the benefit of Holders referred to herein as the "Policy Payments Account" and over which the Paying Agent/Registrar shall have exclusive control and sole right of withdrawal. The Paying Agent/Registrar shall receive any amount paid under the Insurance Policy in trust on behalf of Holders and shall deposit any such amount in the Policy Payments Account and distribute such amount only for purposes of making the payments for which a claim was made. Such amounts shall be disbursed by the Paying Agent/Registrar to Holders in the same manner as principal and interest payments are to be made with respect to the Bonds under the sections hereof regarding payment of Bonds. It shall not be necessary for such payments to be made by checks or wire transfers separate from the check or wire transfer used to pay debt service with other funds available to make such payments.

Funds held in the Policy Payments Account shall not be invested by the Paying Agent/Registrar and may not be applied to satisfy any costs, expenses or liabilities of the Paying Agent/Registrar.

Any funds remaining in the Policy Payments Account following a payment date for an Bond shall promptly be remitted to Insurer.

(e) The Insurer shall be provided with all reports, notices and correspondence to be delivered under the terms of this Order.

(f) The notice address of the Insurer is Financial Security Assurance Inc, 350 Park Avenue, New York, New York 10022-6022, Attention Managing Director -- Surveillance --Re Policy No Telephone (212) 826-0100, Telecopier (212) 339-3529. In each case in which notice or other communication refers to an Event of Default then a copy of such notice or other communication shall also be sent to the attention of General Counsel and shall be marked to indicate 'URGENT MATERIAL ENCLOSED'.

SECTION 33 Public Meeting It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by V T C A , Government Code, Chapter 551, as amended

SECTION 34 Effective Date This Order shall be in force and effect from and after its passage on the date shown below

PASSED AND ADOPTED, this January 13, 1998

POLK COUNTY, TEXAS

John P. Thompson
County Judge

ATTEST

Darlene Middleton
County Clerk and Ex-Officio Clerk
of the Commissioners Court

(Commissioners Court Seal)



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EXHIBIT A

PAYING AGENT/REGISTRAR AGREEMENT

THIS AGREEMENT entered into as of January 13, 1998 (this "Agreement"), by and between Polk County, Texas (the "Issuer"), and The Bank of New York, New York, New York, a state banking corporation organized and existing under the laws of the State of New York, or its successors or assigns hereunder (the "Bank"), laws of the United States of America, (the "Bank")

RECITALS

WHEREAS, the Issuer has duly authorized and provided for the execution and delivery of its "Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998" (the "Securities"), dated January 15, 1998, such Securities to be delivered to the initial purchasers on or about February 12, 1998, and

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

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

NOW, THEREFORE, it is mutually agreed as follows

ARTICLE ONE
APPOINTMENT OF BANK AS
PAYING AGENT AND REGISTRAR

Section 1 01 Appointment The Issuer hereby appoints the Bank to serve as Paying Agent with respect to the Securities, and, as Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the Issuer the principal, premium (if any), and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the "Bond Resolution" (hereinafter defined) The Issuer hereby appoints the Bank as Registrar with respect to the Securities and, as Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the Issuer books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the "Bond Resolution" The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities

Section 1 02 Compensation As compensation for the Bank's services as Paying Agent/Registrar, the Issuer hereby agrees to pay the Bank the fees and amounts set forth in Annex A attached hereto

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

ARTICLE TWO
DEFINITIONS

Section 2 01 Definitions For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires

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

"Bank Office" means the offices of the Bank located in Houston, Texas at the address appearing in Section 3 01 hereof The Bank will notify the Issuer in writing of any change in location of the Bank Office

"Bond Resolution" means the resolution, order, or ordinance of the governing body of the Issuer pursuant to which the Securities are issued, certified by the Secretary or any other officer of the Issuer and delivered to the Bank

"Fiscal Year" means the fiscal year of the Issuer, ending September 30th

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

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

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

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

"Predecessor Securities" of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security

(and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to Section 4 06 hereof and the Resolution)

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

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

"Security Register" means a register maintained by the Bank on behalf of the Issuer providing for the registration and transfers of Securities

"Stated Maturity" means the date specified in the Bond Resolution the principal of a Security is scheduled to be due and payable

Section 2 02 Other Definitions The terms "Bank," "Issuer," and "Securities (Security)" have the meanings assigned to them in the recital paragraphs of this Agreement

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

ARTICLE THREE PAYING AGENT

Section 3 01 Duties of Paying Agent As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the following address

The Bank of New York
Information Services
1301 Fannin Street, Suite 2215
Houston, Texas 77002

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date. All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the fiduciary account provided in Section 5 05 hereof, sent by United States mail, first class, postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the Issuer, pay on behalf of the Issuer the interest on each Security when due, by computing the amount of interest to be paid each Holder and making payment thereof to the Holders of the Securities (or their Predecessor Securities) on the Record Date. All payments of principal and/or interest on the Securities to the registered owners shall be accomplished (1) by the issuance of checks, payable to the registered owners, drawn on the fiduciary account provided in Section 5 05 hereof, sent by United States mail, first class, postage prepaid, to the address appearing on the Security Register or (2) by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder's risk and expense.

Section 3 02 Payment Dates The Issuer hereby instructs the Bank to pay the principal of and interest on the Securities at the dates specified in the Bond Resolution.

ARTICLE FOUR
REGISTRAR

Section 4 01 Security Register - Transfers and Exchanges
The Bank agrees to keep and maintain for and on behalf of the

Issuer at the Bank Office books and records (herein sometimes referred to as the "Security Register") for recording the names and addresses of the Holders of the Securities, the transfer, exchange and replacement of the Securities and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the Issuer and subject to such reasonable regulations as the Issuer and Bank may prescribe. All transfers, exchanges and replacement of Securities shall be noted in the Security Register. The Bank represents and warrants its office in Houston, Texas will at all times have immediate access to the Security Register by electronic or other means and will be capable at all times of producing a hard copy of the Security Register at its Houston office for use by the Issuer. All transfers, exchanges and replacement of Securities shall be noted in the Security Register.

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

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

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

Section 4 02 Certificates The Issuer shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other governments or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4 03 Form of Security Register The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer and exchange of the Securities in

accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

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

Section 4 04 List of Security Holders The Bank will provide the Issuer at any time requested by the Issuer, upon payment of the required fee, a copy of the information contained in the Security Register. The Issuer may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

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

Section 4 05 Return of Cancelled Certificates The Bank will, at such reasonable intervals as it determines, surrender to the Issuer, Securities in lieu of which or in exchange for which other Securities have been issued, or which have been paid.

Section 4 06 Mutilated, Destroyed, Lost or Stolen Securities The Issuer hereby instructs the Bank, subject to the provisions of Section 11 of the Bond Resolution, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an overissuance.

In case any Security shall be mutilated, or destroyed, lost or stolen, the Bank may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Security, or in lieu of and in substitution for such destroyed, lost or stolen Security, only upon the approval of the Issuer and after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to

the Bank of indemnification in an amount satisfactory to hold the Issuer and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost or stolen.

Section 4 07 Transaction Information to Issuer The Bank will, within a reasonable time after receipt of written request from the Issuer, furnish the Issuer information as to the Securities it has paid pursuant to Section 3 01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4 01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4 06.

ARTICLE FIVE
THE BANK

Section 5 01 Duties of Bank The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof.

Section 5 02 Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

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

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

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

investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by Issuer

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

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

Section 5 03 Recitals of Issuer The recitals contained herein with respect to the Issuer and in the Securities shall be taken as the statements of the Issuer, and the Bank assumes no responsibility for their correctness

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

Section 5 04 May Hold Securities The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the Issuer with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent

Section 5 05 Moneys Held by Bank - Fiduciary Account/ Collateralization A fiduciary account shall at all times be kept and maintained by the Bank for the receipt, safekeeping and disbursement of moneys received from the Issuer hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities shall be continuously collateralized by securities or obligations which qualify and are eligible under both the laws of the State of Texas and the laws of the United States of America to secure and be pledged as collateral for fiduciary accounts to the extent such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such trust account shall be made by check drawn on such trust account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment

The Bank shall be under no liability for interest on any money received by it hereunder

Subject to the applicable unclaimed property laws of the State of Texas, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and

remaining unclaimed for four years after final maturity of the Security has become due and payable will be paid by the Bank to the Issuer, and the Holder of such Security shall thereafter look only to the Issuer for payment thereof, and all liability of the Bank with respect to such moneys shall thereupon cease

Section 5 06 Indemnification To the extent permitted by law, the Issuer agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement

Section 5 07 Interpleader The Issuer and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where either the Bank Office or the administrative offices of the Issuer is located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6 03 of this Agreement shall constitute adequate service. The Issuer and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction to determine the rights of any Person claiming any interest herein

Section 5 08 DT Services It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements", effective December 12, 1994, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls

ARTICLE SIX MISCELLANEOUS PROVISIONS

Section 6 01 Amendment This Agreement may be amended only by an agreement in writing signed by both of the parties hereto

Section 6 02 Assignment This Agreement may not be assigned by either party without the prior written consent of the other

Section 6 03 Notices Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or

permitted hereby to be given or furnished to the Issuer or the Bank shall be mailed or delivered to the Issuer or the Bank, respectively, at the addresses shown on page 11

Section 6 04 Effect of Headings The Article and Section headings herein are for convenience only and shall not affect the construction hereof

Section 6 05 Successors and Assigns All covenants and agreements herein by the Issuer shall bind its successors and assigns, whether so expressed or not

Section 6 06 Severability In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby

Section 6 07 Benefits of Agreement Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder

Section 6 08 Entire Agreement This Agreement and the Bond Resolution constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Bond Resolution, the Bond Resolution shall govern

Section 6 09 Counterparts This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement

Section 6 10 Termination This Agreement will terminate (1) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (11) may be earlier terminated by either party upon sixty (60) days written notice, provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the Issuer and such appointment accepted and (b) notice given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar Furthermore, the Bank and Issuer mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay or otherwise adversely affect the payment of the Securities

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating

to the Securities, to the successor Paying Agent/Registrar designated and appointed by the Issuer

The provisions of Section 1 02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement

Section 6 11 Governing Law This Agreement shall be construed in accordance with and governed by the laws of the State of Texas

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

THE BANK OF NEW YORK,
New York, New York

BY _____
Title

[SEAL]

Attest

Title

Address 10161 Centurion Parkway
2nd Floor
Jacksonville, FL 32256

POLK COUNTY, TEXAS

BY _____
County Judge

(COMMISSIONERS COURT SEAL)

Attest

Address Polk County Courthouse
Livingston, Texas 77351

Barbara Middleton
County Clerk

\$2,075,000
POLK COUNTY, TEXAS
PERMANENT IMPROVEMENT REFUNDING BONDS
SERIES 1998

PURCHASE CONTRACT

January 13, 1998

Honorable County Judge
and Commissioners Court
Polk County, Texas
Polk County Courthouse
Livingston, Texas 77351

Ladies and Gentlemen

The undersigned, Southwest Securities Incorporated (the "Underwriter"), offers to enter into the following agreement with Polk County, Texas (the "County") which, upon your acceptance of this offer, will be binding upon the County and upon the Underwriter

This offer is made subject to County's acceptance of this agreement, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to the acceptance by the County

1 Purchase Price Based on the representations, warranties and covenants contained herein and subject to the terms and conditions hereinafter provided, the Underwriter agrees to purchase from the County, and the County agrees to sell to the Underwriter, an aggregate of \$2,075,000 principal amount of Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998 (the "Bonds")
The Bonds shall be dated January 15, 1998 and shall have the maturities and bear interest from their date at the rate or rates per annum shown on the cover page of the Official Statement (hereinafter defined), such interest being payable on August 15, 1998, and semiannually thereafter on February 15 and August 15 in each year. The purchase price for the Bonds shall be \$_____ (the principal amount of the Bonds, less an Underwriter's Discount of \$_____, less an original issue discount of \$_____), together with accrued interest on the Bonds from January 15, 1998, to the date of the Closing (as hereinafter defined)

Delivered to the County herewith is a corporate check of Southwest Securities Incorporated payable to the order of the

County in the amount of \$20,750 00 The County agrees to hold such check uncashed until the Closing to ensure the performance by the Underwriter of its obligation to purchase, accept delivery of and pay for the Bonds at the Closing Concurrently with the payment by the Underwriter of the purchase price of the Bonds, the County shall return such check to the Underwriter as provided in paragraph 6 hereof Should the County fail to deliver the Bonds at the Closing, or should the County be unable to satisfy the conditions of the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds, as set forth in this Purchase Contract (unless waived by the Underwriter), or should such obligations of the Underwriter be terminated for any reason permitted by this Purchase Contract, such check shall be immediately returned to the Underwriter In the event the Underwriter fails (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be retained by the County as and for full liquidated damages for such failure of the Underwriter and for any defaults hereunder on the part of the Underwriter The Underwriter hereby agrees not to stop or cause payment on said check to be stopped unless the County has breached any of the terms of this Purchase Contract

2 Order The Bonds are to be issued and secured under the provisions of an order authorizing the issuance and sale of the Bonds (the "Order") duly adopted and passed by the Commissioners Court of the County The Bonds shall have stated maturities and bear interest at the rate or rates per annum and shall have other such terms and features as described in the Official Statement (as hereinafter defined) referred to below

3 Public Offering It shall be a condition of the obligation of the County to sell and deliver the Bonds to the Underwriters, and of the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds authorized by the Order shall be sold and delivered by the County and accepted and paid for by the Underwriter at the Closing The Underwriter agrees to make a bona fide public offering of all of the Bonds, and sell a substantial amount of the Bonds of each maturity at prices not in excess of the initial public offering prices set forth on the cover page of the Official Statement, plus interest accrued thereon from the date of the Bonds

4 Official Statement/SEC Rule 15c2-12 Compliance (a) Exhibit A attached hereto is the Official Statement, including the cover page and appendices thereto, prepared in connection with the public offering and sale of the Bonds Such Official Statement, together with the Appendixes thereto, as further amended or supplemented only in the manner hereinafter provided, is herein called the "Official Statement "

(b) The County confirms its consent to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement (the "Preliminary Official Statement") in connection with the preliminary public offering and sale of the Bonds. The County hereby confirms that the Preliminary Official Statement was "deemed final" as of its date, within the meaning, and for the purposes, of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The County agrees to cooperate with the Underwriter to provide a supply of final Official Statements within seven (7) business days of the date hereof in sufficient quantities to comply with the Underwriter's obligation under applicable MSRB Rules and the Rule. The Underwriter will use their best efforts to assist the County in the preparation of the final Official Statement in order to ensure compliance with the aforementioned rules. Unless otherwise notified in writing by the Underwriter by the Closing date, the County can assume that the "end of the underwriting period" for purposes of the Rule shall be the Closing date. In the event such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the County in writing following the occurrence of the "end of the underwriting period" as defined in the Rule. The "end of the underwriting period" as used in this Contract shall mean the Closing date or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

(c) To the best knowledge and belief of the County, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account or person that is material to an evaluation of the offering of the Bonds. The County has not entered into any previous continuing disclosure undertaking in a written contract or agreement specified in SEC Rule 15c2-12(b)(5)(i) and, accordingly, has not failed to comply with any such undertaking.

4 Official Statement Exhibit A attached hereto is the Official Statement, including the cover page and appendices thereto, prepared in connection with the public offering and sale of the Bonds. Such Official Statement, together with the Appendixes thereto, as further amended or supplemented only in the manner hereinafter provided, is herein called the "Official Statement."

The County hereby represents and deems such Official Statement to be a final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The County agrees to provide the Underwriter, within seven business days after the effective date of this Purchase Contract, with copies of the final Official Statement in sufficient quantity as will permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Furthermore,

the County authorizes and approves the distribution and use by the Underwriter of the Official Statement in connection with the offering and sale of the Bonds

5 Representations and Warranties The County hereby represents and warrants to the Underwriter that

(a) The County is a body politic and corporate, a political subdivision of the State of Texas organized and existing under the laws of the State of Texas, and a municipal corporation duly created, organized and existing in good standing under the laws of the State of Texas

(b) The County has the power and is authorized under the Constitution and the laws of the State of Texas, including particularly Article 717k of the Texas Revised Civil Statutes Annotated, as amended (the "Act"), to (i) issue the bonds for the purpose for which they are to be issued and (ii) enter into and perform this Purchase Contract and the Escrow Agreement

(c) The County has the requisite right, power, and authority (i) to adopt the order authorizing the issuance of the Bonds and the execution and delivery of this Purchase Contract and the Escrow Agreement, (ii) to execute, deliver and perform its obligation under this Purchase Contract and the Escrow Agreement, and (iii) to consummate the transactions contemplated by such instruments and the Official Statement and the County has complied with all provisions of applicable law and all matters relating to such transactions

(d) The County has, or will have prior to Closing, duly authorized all necessary action to be taken by it for (i) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, (ii) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer, and (iii) the execution, delivery and receipt of this Purchase Contract, the Bonds, the Escrow Agreement, and any and all such other agreements and documents as may be required to be executed, delivered and received by the County in order to carry out, give effect to, and consummate the transactions contemplated hereby or by the Bonds, the Official Statement, and the Escrow Agreement

(e) The Bonds, when issued, delivered and paid for as herein provided, will have been duly authorized, executed and issued and will constitute legal, valid and binding obligations of the County entitled to the benefits of the Order

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against the County or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County any basis therefor) contesting the due organization and valid corporate existence of the County or the validity of the Act or failure to act by the County or wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated hereby or by the Official Statement, (ii) the validity or due adoption of the Order, or the validity, due authorization and execution of the Bonds, this Purchase Contract, the Escrow Agreement or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, or (iii) the exclusion of the interest on the Bonds from federal income taxes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. The County is not a party to any litigation or other proceeding pending or, to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the County, would have a material adverse affect on the financial condition of the County

(g) The authorization, execution and delivery by the County of the Official Statement, this Purchase Contract, the Bonds, the Escrow Agreement and the other documents contemplated hereby and by the Official Statement, the adoption of the Order by the County, the consummation of the transactions contemplated thereby and compliance by the County with the provisions of such instruments, do not and will not conflict with or constitute on the part of the County a breach of or a default under any provision of the Constitution of the State of Texas or any other existing law, court or administrative decision, regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument by which the County or its properties are or, on the date of Closing, will be bound or affected

(h) The information contained in the Official Statement is and, as of the date of Closing, will be correct in all material respects, and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements in such Official Statement, in light of the circumstances under which they were made, not misleading

(i) All approvals, consents and orders of any governmental authority or agency having jurisdiction of any matter which would constitute a condition precedent to the performance by the County of its obligations to sell and deliver the Bonds hereunder will have been obtained prior to the Closing

(j) The County will cooperate with the Underwriter in arranging for the qualification of the Bonds for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter designates, and will use their best efforts to continue such qualifications in effect so long as required for distribution of the Bonds, provided, however, that the County will not be required to execute a general consent to service of process or to qualify to do business in connection with any such qualification in any jurisdiction

(k) The financial statements and information relating to the County included in the Official Statement present fairly the financial condition of the County at the respective dates and for the respective periods indicated and such financial statements were prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods presented

(l) If prior to the Closing an event occurs affecting the County which is materially adverse for the purpose for which the Official Statement is to be used and is not disclosed in the Official Statement, the County shall notify the Underwriter, and if in the opinion of the Underwriter such event requires a supplement or amendment to the Official Statement, the County will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter

6 Delivery of, and Payment for, the Bonds The consummation of the sale of the Bonds to the Underwriter (the "Closing") shall be held at the principal offices of The Bank of New York, New York, New York, or at such other location or locations as may be mutually agreed upon by the County and the Underwriter. The Closing shall be held at 10 00 A M , C S T , on February 12, 1998, or at such other time or date as shall have been mutually agreed upon by the County and the Underwriter

Subject to the conditions stated herein, at the Closing the County will deliver, or cause to be delivered, to the Underwriter the initial obligations registered in the name of Cede & Co in temporary form and will have available for immediate exchange the global certificates noted below to be deposited with The Depository

Trust Company, New York, New York, duly executed and authenticated and registered in the name of Cede & Co , together with the other documents hereinbelow identified, and the Underwriter will accept such delivery and pay the purchase price of the Bonds and the Certificates as set forth in paragraph 1 hereof in immediately available funds by a federal funds check or wire transfer to or for the account of the County Delivery of the Bonds in exchange for the initial obligations shall be made to the Underwriter through The Depository Trust Company, New York, New York, utilizing the book entry only form of issuance and the County agrees to enter into such agreements, including the "Letter of Representations" to allow for the utilization of such book entry only system The global certificates deposited with The Depository Trust Company shall be available for checking by the Underwriter at the office of The Depository Trust Company in New York, New York at least two business days prior to Closing

7 Certain Conditions To Underwriter's Obligations The obligations of the Underwriter hereunder are subject to the satisfaction on or before the date of the Closing of each of the following conditions (unless waived by the Underwriter in writing)

(a) The representations and warranties of the County contained herein or on any certificate or other document delivered pursuant to the provisions hereof shall be true on and as of the date of the Closing as though such representations and warranties were made on and as of the date of the Closing

(b) At the time of the Closing, the Order shall be in full force and effect, and the Order and the Escrow Agreement shall not have been amended, modified, or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter

(c) At the time of the Closing, all official action of the County related to the Order shall be in full force and effect and shall not have been amended, modified or supplemented

(d) The County shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money

(e) At or prior to the Closing, the Underwriter shall have received one (1) executed copy of each of the following documents

(1) the approving opinion, dated the date of the Closing, of Fulbright & Jaworski L L P , as bond counsel ("Bond Counsel"), delivered to the Underwriter, relating to, among other things, the validity of the Bonds and the exclusion of the interest on the Bonds for federal income tax purposes, in substantially the form of Appendix C attached to the Official Statement,

(2) a certificate of the County, dated the date of Closing and signed on its behalf by the County Judge and County Auditor acting solely in their official capacities, in form satisfactory to the Underwriter, to the effect that (i) the representations and warranties of the County herein, or in any certificate or document delivered by the County pursuant to the provisions hereof, are true and correct on and as of the date of the Closing as though such representations and warranties were made on and as of the date of the Closing, and all agreements or conditions to be performed or complied with by the County hereunder on or prior to the date of the Closing have been performed or complied with, (ii) except to the extent disclosed in the Official Statement, no litigation is pending or, to the knowledge of such persons, threatened, in any court to restrain or enjoin the issuance or delivery of the Bonds, or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds, the Order, or this Purchase Contract, or contesting the powers of the County to issue the Bonds, or contesting authorization of the Bonds or the Order, or contesting in any way the accuracy, completeness or fairness of the Official Statement, (iii) to the best of such persons' knowledge, no event affecting the County has occurred since the date of the Official Statement which should be disclosed therein for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect, and (iv) that there has not been any material adverse change in the

financial condition of the County, since September 30, 1996, the latest date as of which audited financial information is available,

(3) the Official Statement executed on behalf of the County by the County Judge and County Clerk,

(4) a copy of the Order and all other orders or resolutions or other proceedings of the County authorizing the issuance and sale of the Bonds and the execution and delivery of this Purchase Contract, the Official Statement and the Escrow Agreement, in each case certified by the County Clerk as having been duly adopted and being in full force and effect and as being true, accurate and complete copies thereof,

(5) an unqualified opinion, dated on or prior to the date of the Closing, of the Attorney General of the State of Texas, relating to the legality and validity of the Bonds and approving the Bonds as required by law,

(6) evidence satisfactory to the Underwriter that the Bonds have been registered by the Comptroller of Public Accounts of the State of Texas as required by law,

(7) a certificate of the County, dated the date of the Closing, and signed by the County Auditor or other authorized officer of the County, in the form approved by Bond Counsel and satisfactory to the Underwriter, with respect to the interest on the Bonds being excludable from gross income for federal income tax purposes,

(8) an executed copy of the Escrow Agreement,

(9) a copy of a special report prepared by KPMG Peat Marwick L L P, independent certified public accountants, addressed to the County, Bond Counsel and the Underwriters, verifying (1) the arithmetical computations of

the adequacy of the maturing principal and interest on the federal securities held under the Escrow Agreement and uninvested cash on hand under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Obligations, and (11) the computation of the yield with respect to such federal securities and the Bonds,

(10) a copy of the municipal bond insurance policy issued by Financial Security Assurance, Inc

(11) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the County with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties of the County contained herein and the due performance or satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and its counsel and to Bond Counsel. The Underwriter shall be entitled to receive such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request

8 Conditions to County's Obligations The obligations of the County hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the opinion of Attorney General described in Section 7 (f) (5) hereof and the opinion of Bond Counsel described in Section 7(f) (1) hereof

9 Termination The Underwriter shall have the right to cancel its obligation to purchase the Bonds at any time before the Closing if any of the following should occur

(a) (1) Legislation (including any amendment thereto) shall have been introduced in or adopted by either House of the Congress of the United States, or recommended to the Congress for passage by the President of the United States or reported favorably for passage to

either House of the Congress by any Committee of such House, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or by the United States Tax court, or (iii) an order, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or any other agency of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii) or (iv), would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or upon income of the general character to be derived by the County, other than as imposed on the Bonds and income therefrom under the Federal tax laws in effect on the date hereof, in such a manner as in the judgment of the Underwriter would materially impair the marketability or materially reduce the market price of obligations of the general character of the Bonds

(b) Legislation is enacted by the Congress of the United States to become effective on or prior to the Closing, a decision of a court, or a ruling, regulation or proposed regulation by or on behalf of the Securities and Exchange Commission or other agency having jurisdiction over the issuance, sale and delivery of the Bonds, or any other obligations of similar public body of the general character of the County, is made to the effect that such action is in violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the execution and delivery of the Order or any indenture of similar character is in violation of the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby or by the Official Statement, or of obligations of the general character of the Bonds,

(c) (1) The Constitution of the State of Texas shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of Texas law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of Texas by an official, agency or department thereof, affecting the tax status of the County, its property or income, its bonds

(including the Bonds) or the interest thereon, which in the judgment of the Underwriter would materially affect the market price of the Bonds

(d) (1) A general suspension of trading in securities occurs on the New York Stock Exchange, or (11) the United States shall have become engaged in hostilities which have resulted in the declaration, on or after the date of this Purchase Contract, of a national emergency or war, the effect of which, in either case is, in the judgment of the Purchaser, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in this Purchase Contract and the Official Statement

(e) An event described in paragraph 5(j) hereof occurs which, in the opinion of the Underwriter, requires a supplement or amendment to the Official Statement

(f) A general banking moratorium shall have been declared by either federal, Texas or New York authorities

(g) There shall have occurred since the date of this Purchase Contract any material adverse change in the affairs or financial condition of the County, except for changes which the Official Statement discloses have occurred or may occur

(h) Any event occurs which prevents the United States Treasury Department from delivering on the Closing Date the State and Local Government Securities subscribed for by the County in connection with the issuance of the Bonds

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds as set forth in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and be of no further force or effect, and neither the Underwriter nor the County shall be under further obligation hereunder, except that the respective obligations of the County and the Underwriter set forth in paragraphs 10 and 11 hereof shall continue in full force and effect

If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon the proper tender thereof by the County at the Closing as herein provided, the maximum liability of the Underwriter to the County will be limited to the amount of the good faith check and the expenses set forth in paragraph 11 hereof. The Underwriter agrees and acknowledges that such amount is reasonable to compensate adequately the County for its costs and expenses incurred in connection with the transactions contemplated hereby. When paid to the County, the maximum amount shall serve as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and such maximum amount shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and neither the County, nor other person, shall have any further action for damages, specific performance or any other legal or equitable relief against the Underwriter.

10 Survival of Representations All representations, warranties and agreements of the County hereunder or in any certificate delivered pursuant hereto shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Bonds and any termination of this Purchase Contract by the Underwriter pursuant to the terms hereof.

11 Payment of Expenses Costs related to the issuance and sale of the Bonds, including, but not limited to, costs of preparation and printing the Bonds, the Official Statement, postage, the cost of obtaining credit ratings on the Bonds, and the fees and disbursements of Bond Counsel to the County, shall be paid out of the proceeds of the Bonds. The Underwriter shall pay for its costs related to the purchase of the Bonds, including, without limitation, advertising expenses and any expenses incurred in connection with the qualification of the Bonds under any securities or "Blue Sky" laws of any state or other jurisdiction.

12 Notices Any notice or other communication to be given to the County under this Purchase Contract may be given by delivering the same in writing at its address set forth above, Attention County Judge, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Southwest Securities, Incorporated, 1201 Elm Street, Suite 3500, Dallas, Texas 75201, Attention Mike Wadsworth.

13 Parties This Purchase Contract is made solely for the benefit of the County and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof

14 Governing Law This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Texas

15 General This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument The section headings of this Purchase Contract are for convenience of reference only and shall not affect its interpretation This Purchase Contract shall become effective upon your acceptance hereof and delivery of a signed copy of this Agreement to the Underwriter

Very truly yours,

SOUTHWEST SECURITIES INCORPORATED

By _____
Title _____

Accepted and agreed to as of
the date first above written

POLK COUNTY, TEXAS

By _____
County Judge

ATTEST

Barbara Middleton
County Clerk

(Commissioners Court Seal)

EXHIBIT A
OFFICIAL STATEMENT

048534

EXHIBIT B

SPECIAL ESCROW AGREEMENT

THE STATE OF TEXAS §
 §
COUNTY OF POLK §

THIS SPECIAL ESCROW AGREEMENT (the "Agreement"), made and entered into as of January 13, 1998, by and between Polk County, Texas, a governmental agency, body politic and corporate and political subdivision of the State of Texas (the "County") acting by and through the County Judge and County Clerk, and The Bank of New York, New York, New York, a state banking corporation organized and existing under the laws of the State of New York, or its successors or assigns hereunder (the "Bank"),

W I T N E S S E T H

WHEREAS, the Commissioners Court of Polk County, Texas (the "County") has heretofore issued, sold, and delivered, and there is currently outstanding, obligations totalling in principal amount \$1,925,000 (collectively, the "Refunded Obligations") more particularly described as follows

(1) Polk County, Texas, Certificates of Obligation, Series 1986, dated May 15, 1986, scheduled to mature on February 15 in each of the years 1999 through 2002, and aggregating in principal amount \$400,000,

(2) Polk County, Texas, Certificates of Obligation, Series 1990, dated October 15, 1990, scheduled to mature on August 15 in each of the years 2002 through 2005, and aggregating in principal amount \$775,000,

(3) Polk County, Texas, Tax and Solid Waste Disposal System Surplus Revenue Certificates of Obligation, Series 1991, dated October 15, 1991, scheduled to mature on August 15 in each of the years 2004 through 2006, and aggregating in principal amount \$750,000,

AND WHEREAS, in accordance with the provisions of Article 717k, V A T C S , as amended (the "Act"), the County is authorized to sell refunding bonds in an amount sufficient to provide for the payment of obligations to be refunded, deposit the proceeds of such refunding bonds with any place of payment for the obligations being refunded and enter into an escrow or similar agreement with such place of payment for the safekeeping, investment, reinvestment, administration and disposition of such deposit, upon such terms and conditions as the parties may agree, provided such

deposits may be invested only in direct obligations of the United States of America, including obligations the principal of and interest on are unconditionally guaranteed by the United States of America, (hereinafter called the "Federal Securities") that mature and/or bear interest payable at such times and in such amounts as will be sufficient to provide for the scheduled payment of Refunded Obligations, and

WHEREAS, the Refunded Obligations are scheduled to mature, or be redeemed, and interest thereon is payable on the dates and in the manner set forth in Exhibit A attached hereto and incorporated herein by reference as a part of this Agreement for all purposes, and

WHEREAS, the County on the 13th day of January, 1998, pursuant to an order (the "Bond Order") finally passed and adopted by the Commissioners Court, authorized the issuance of bonds known as "Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998" (the "Bonds"), and such Bonds are being issued to refund, discharge and make final payment of the principal of and interest on the Refunded Obligations, and

WHEREAS, upon the delivery of the Bonds, the proceeds of sale, together with other available funds of the County, are to be deposited with the Bank and used in part to purchase the Federal Securities listed and identified in Exhibit B attached hereto and incorporated by reference as a part of this Agreement for all purposes, and

WHEREAS, the Federal Securities shall be held and deposited to the credit of the "Escrow Fund" to be established and maintained by the Bank in accordance with this Agreement, and

WHEREAS, the Federal Securities, together with the beginning cash balance in the Escrow Fund, shall mature and the interest thereon shall be payable at such times to insure the existence of monies sufficient to pay the principal amount of the Refunded Obligations and the accrued interest thereon, as the same shall become due in accordance with the terms of the orders authorizing the issuance of the Refunded Obligations and as set forth in Exhibit A attached hereto, and

WHEREAS, the County has completed all arrangements for the purchase of the Federal Securities listed in Exhibit B and the deposit and credit of the same to the Escrow Fund as provided herein, and

WHEREAS, the Bank is a state banking corporation organized and existing under the laws of the State of New York, possessing

trust powers and is fully qualified and empowered to enter into this Agreement, and

WHEREAS, in Section 17 of the Bond Order, the Commissioners Court duly approved and authorized the execution of this Agreement, and

WHEREAS, the County and the Escrow Agent, as the case may be, shall take all action necessary to call, pay, redeem and retire said Refunded Obligations in accordance with the provisions thereof, including, without limitation, all actions required by the orders authorizing the Refunded Obligations, the Act, the Bond Order and this Agreement,

NOW, THEREFORE, in consideration of the mutual agreements herein contained, and to secure the payment of the principal of and the interest on the Refunded Obligations as the same shall become due, the County and the Bank hereby mutually undertake, promise and agree as follows

SECTION 1 Receipt of Refunded Bond Orders Receipt of copies of the orders authorizing the issuance of the Refunded Obligations and the Bond Order are hereby acknowledged by the Bank. Reference herein to or citation herein of any provision of said documents shall be deemed an incorporation of such provision as a part hereof in the same manner and with the same effect as if it were fully set forth herein

SECTION 2 Escrow Fund Creation/Funding There is hereby created by the County with the Bank a special segregated and irrevocable trust fund designated "SPECIAL 1998 POLK COUNTY, TEXAS, REFUNDING BOND ESCROW FUND" (hereinafter called the "Escrow Fund") for the benefit of the holders of the Refunded Obligations, and, immediately following the delivery of the Bonds, the County agrees and covenants to cause to be deposited with the Bank the following amounts

\$ _____ for the purchase of Federal Securities identified in Exhibit B to be held for the account of the Escrow Fund

\$ _____ for deposit in the Escrow Fund as a beginning cash balance, and

The Bank hereby accepts the Escrow Fund and further agrees to receive said moneys, apply the same as set forth herein, and to hold the cash and Federal Securities deposited and credited to the Escrow Fund for application and disbursement for the purposes and in the manner provided in this Agreement

SECTION 3 Escrow Fund Sufficiency Warranty The County hereby represents that the cash and Federal Securities, together with the interest to be earned thereon, deposited to the credit of the Escrow Fund will be sufficient to pay the principal of and premium and interest on the Refunded Obligations as the same shall become due and payable, and such Refunded Obligations, and the interest thereon, are to mature or be redeemed and shall be paid at the times and in the amounts set forth and identified in Exhibit A attached hereto

FURTHERMORE, the Bank acknowledges receipt of a copy of the resolution providing for the redemption of (i) the Series 1986 Refunded Obligations on February 15, 1998 at the price of par plus accrued interest to the redemption date, (ii) the Series 1990 Refunded Obligations on August 15, 2000 at the price of par plus accrued interest to the redemption date and (iii) the Series 1991 Refunded Obligations on August 15, 2001 at the price of par plus accrued interest to the redemption date, all in accordance with the provisions of the notice requirements applicable to said Refunded Obligations and the notice requirements contained in the orders authorizing such Refunded Obligations

The Bank agrees to cause a notice of redemption pertaining to the Refunded Obligations to be sent to the registered owners thereof appearing on the registration books at least thirty (30) days prior to the respective redemption date therefor

SECTION 4 Pledge of Escrow The Bank agrees that all cash and Federal Securities, together with any income or interest earned thereon, held in the Escrow Fund shall be and is hereby irrevocably pledged to the payment of the principal of and interest on the Refunded Obligations which will mature and become due on and after the date of this Agreement, and such funds initially deposited and to be received from maturing principal and interest on the Federal Securities in the Escrow Fund shall be applied solely in accordance with the provisions of this Agreement

SECTION 5 Escrow Insufficiency - County Warranty to Cure If, for any reason, the funds on hand in the Escrow Fund shall be insufficient to make the payments set forth in Exhibit A attached hereto, as the same becomes due and payable, the County shall make timely deposits to the Escrow Fund, from lawfully available funds, of additional funds in the amounts required to make such payments. Notice of any such insufficiency shall be immediately given by the Bank to the County by the fastest means possible, but the Bank shall in no manner be responsible for the County's failure to make such deposits

SECTION 6 Escrow Fund Securities/Segregation The Bank shall hold said Federal Securities and moneys in the Escrow Fund at

all times as a special and separate trust fund for the benefit of the holders of the Refunded Obligations, wholly segregated from other moneys and securities on deposit with the Bank, shall never commingle said Federal Securities and moneys with other moneys or securities of the Bank, and shall hold and dispose of the assets therein only as set forth herein. Nothing herein contained shall be construed as requiring the Bank to keep the identical moneys, or any part thereof, in said Escrow Fund, if it is impractical, but moneys of an equal amount, except to the extent such are represented by the Federal Securities, shall always be maintained on deposit in the Escrow Fund by the Bank, as trustee, and a special account evidencing such facts shall at all times be maintained on the books of the Bank.

SECTION 7 Escrow Fund Collections/Payments The Bank shall from time to time collect and receive the principal of and interest on the Federal Securities as they respectively mature and become due and credit the same to the Escrow Fund. On or before each principal and/or interest payment date or redemption date, as the case may be, for the Refunded Obligations shown in Exhibit A attached hereto, the Bank, without further direction from anyone, including the County, shall cause to be withdrawn from the Escrow Fund the amount required to pay the accrued interest on the Refunded Obligations due and payable on said payment date and the principal of the Refunded Obligations due and payable on said payment date or redemption date, as the case may be, and the amount withdrawn from the Escrow Fund shall be immediately transmitted and deposited with the paying agent for the Refunded Obligations to be paid with such amount. The paying agent for the Refunded Obligations is the Bank.

If any Refunded Obligation thereon shall not be presented for payment when the principal thereof or interest thereon shall have become due, and if cash shall at such times be held by the Bank in trust for that purpose sufficient and available to pay the principal of such Refunded Obligation and interest thereon it shall be the duty of the Bank to hold said cash without liability to the holder of such Refunded Obligation for interest thereon after such maturity or redemption date, in trust for the benefit of the holder of such Refunded Obligation, who shall thereafter be restricted exclusively to said cash for any claim of whatever nature on his part on or with respect to said Refunded Obligation, including for any claim for the payment thereof and interest thereon. All cash required by the provisions hereof to be set aside or held in trust for the payment of the Refunded Obligations, including interest thereon, shall be applied to and used solely for the payment of the Refunded Obligations and interest thereon with respect to which such cash has been so set aside in trust.

Subject to the provisions of the last sentence of Section 25 hereof, cash held by the Bank in trust for the payment and discharge of any of the Refunded Obligations and interest thereon which remains unclaimed for a period of four (4) years after the stated maturity date or redemption date of such Refunded Obligations shall be returned to the County. Notwithstanding the above and foregoing, any remittance of funds from the Bank to the County shall be subject to any applicable unclaimed property laws of the State of Texas.

SECTION 8 Disposal of Refunded Obligations All Refunded Obligations cancelled on account of payment by the Bank shall be disposed of or otherwise destroyed by the Bank, and an appropriate certificate of destruction furnished the County.

SECTION 9 Escrow Fund Encumbrance The escrow created hereby shall be irrevocable and the holders of the Refunded Obligations shall have an express lien on all moneys and Federal Securities in the Escrow Fund until paid out, used and applied in accordance with this Agreement.

Unless disbursed in payment of the Refunded Obligations, all funds and the Federal Securities received by the Bank for the account of the County hereunder shall be and remain the property of the Escrow Fund and the County and the owners of the Refunded Obligations shall be entitled to a preferred claim and shall have a first lien upon such funds and Federal Securities enjoyed by a trust beneficiary. The funds and Federal Securities received by the Bank under this Agreement shall not be considered as a banking deposit by the County and the Bank and the County shall have no right or title with respect thereto, except as otherwise provided herein. Such funds and Federal Securities shall not be subject to checks or drafts drawn by the County.

SECTION 10 Absence of Bank Claim/Lien on Escrow Fund The Bank shall have no lien whatsoever upon any of the moneys or Federal Securities in the Escrow Fund for payment of services rendered hereunder, services rendered as paying agent/registrar for the Refunded Obligations, or for any costs or expenses incurred hereunder and reimbursable from the County.

SECTION 11 Substitution of Investments/Reinvestments (a) The Bank shall be authorized to accept initially and temporarily cash and/or substituted Federal Securities pending the delivery of the Federal Securities identified in the Exhibit B attached hereto, or shall be authorized to redeem the Federal Securities and reinvest the proceeds thereof, together with other moneys held in the Escrow Fund in noncallable direct obligations of the United States of America provided such early redemption and reinvestment of proceeds does not change the repayment schedule of the Refunded

Obligations appearing in Exhibit A and the Bank receives the following

(1) an opinion by an independent certified public accountant to the effect that (i) the initial and/or temporary substitution of cash and/or securities for one or more of the Federal Securities identified in Exhibit B pending the receipt and delivery thereof to the Escrow Agent or (ii) the redemption of one or more of the Federal Securities and the reinvestment of such funds in one or more substituted securities (which shall be noncallable direct obligations of the United States of America), together with the interest thereon and other available moneys then held in the Escrow Fund, will, in either case, be sufficient, without reinvestment, to pay, as the same become due in accordance with Exhibit A, the principal of, and interest on, the Refunded Obligations which have not previously been paid, and

(2) with respect to an early redemption of Federal Securities and the reinvestment of the proceeds thereof, an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such investment will not cause interest on the Bonds or Refunded Obligations to be included in the gross income for federal income tax purposes, under the Code and related regulations as in effect on the date of such investment, or otherwise make the interest on the Bonds or the Refunded Obligations subject to Federal income taxation and (b) such reinvestment complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations and the Bonds

(b) If on the date and in the amount shown in Exhibit C attached hereto there exists cash in the Escrow Fund, the Bank and the County agree at least fifteen (15) days prior to such date, to subscribe for the purchase of United States Treasury Securities - State and Local Government Series (SLGS) bearing zero interest (0%) and on such date, in the amount and scheduled to mature as provided in Exhibit C and subscription forms prepared therefor as may be then required by the United States Department of the Treasury, provided that the then existing rules and regulations and policy of United States Department of the Treasury permit and authorize such investments. Should the policy, rules and regulations of the United States Department of Treasury not permit or authorize the purchase of such SLGS at such time or times, such cash balance or balances shall remain uninvested and held in trust for the benefit of the holders of the Refunded Obligations and used for the payment

of the Refunded Obligations on the dates and in the amount such moneys would have been expended had such SLGS been acquired and matured

SECTION 12 Restriction on Escrow Fund Investments - Reinvestment Except as provided in Section 11 hereof, moneys in the Escrow Fund will be invested only in the Federal Securities listed in Exhibit B and neither the County nor the Bank shall reinvest any moneys deposited in the Escrow Fund except as specifically provided by this Agreement

SECTION 13 Excess Funds If at any time through redemption or cancellation of the Refunded Obligations there exists or will exist excesses of interest on or maturing principal of the Federal Securities in excess of the amounts necessary hereunder for the Refunded Obligations, the Bank may transfer such excess amounts to or on the order of the County, provided that the County delivers to the Bank the following

(1) an opinion by an independent certified public accountant that after the transfer of such excess, the principal amount of securities in the Escrow Fund, together with the interest thereon, and other available monies then held in the Escrow Fund, will be sufficient to pay, as the same become due and without reinvestment, in accordance with Exhibit A, the principal of, and interest on, the Refunded Obligations which have not previously been paid, and

(2) an unqualified opinion of nationally recognized municipal bond counsel to the effect that (a) such transfer will not cause interest on the Bonds or the Refunded Obligations to be included in gross income for federal income tax purposes, under the Code and related regulations as in effect on the date of such transfer, or otherwise make the interest on the Bonds or the Refunded Obligations subject to Federal income taxation, and (b) such transfer complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the issuance of the Refunded Obligations or the Bonds

SECTION 14 Collateralization The Bank shall continuously secure the monies in the Escrow Fund not invested in Federal Securities by a pledge of direct obligations of the United States of America, in the par or face amount at least equal to the principal amount of said uninvested monies to the extent such money is not insured by the Federal Deposit Insurance Corporation

SECTION 15 Absence of Bank's Liability for Investments
The Bank shall not be liable or responsible for any loss resulting from any investment made in the Federal Securities or substitute securities as provided in Section 11 hereof

SECTION 16 Bank's Compensation - Escrow Administration/ Settlement of Paying Agent's Charges The County agrees to pay the Bank for the performance of services hereunder and as reimbursement for anticipated expenses to be incurred hereunder the amount of \$_____ and, except for reimbursement of costs and expenses incurred by the Bank pursuant to Sections 3, 11 and 19 hereof, the Bank hereby agrees said amount is full and complete payment for the administration of this Agreement

The County also agrees to deposit with the Bank on the effective date of this Agreement, the sum of \$_____ and the Bank acknowledges and agrees that such amount is and represents the total amount of compensation due the Bank for services rendered as paying agent for the Refunded Obligations. The Bank hereby agrees to pay, assume and be fully responsible for any additional charges that it may incur in the performance of its duties and responsibilities as paying agent for the Refunded Obligations

The County acknowledges and agrees that the above amount deposited with the Escrow Agent to cover paying agents' charges and expenses does not include amounts which shall become due and payable for services rendered as registrar and transfer agent for fully registered Refunded Obligations, and the County agrees to pay directly to each "registrar" for the Refunded Obligations all reasonable costs, expenses and charges incurred in connection with the maintenance of the registration books and records and the transfer of such fully registered obligations as and when such costs, expenses and charges are incurred and against written invoices, statements or bills submitted therefor

SECTION 17 Escrow Agent's Duties / Responsibilities/ Liability The Bank shall not be responsible for any recital herein, except with respect to its organization and its powers and authority. As to the existence or nonexistence of any fact relating to the County or as to the sufficiency or validity of any instrument, paper or proceedings relating to the County, the Bank shall be entitled to rely upon a certificate signed on behalf of the County by its County Auditor or County Judge and/or County Clerk of the County as sufficient evidence of the facts therein contained. The Bank may accept a certificate of the County Clerk under the Court's seal, to the effect that a resolution or other instrument in the form therein set forth has been adopted by the Commissioners Court of the County, as conclusive evidence that

such resolution or other instrument has been duly adopted and is in full force and effect

The duties and obligations of the Bank shall be determined solely by the express provisions of this Agreement and the Bank shall not be liable except for the performance of such duties and obligations as are specifically set forth in this Agreement, and no implied covenants or obligations shall be read into this Agreement against the Bank

In the absence of bad faith on the part of the Bank, the Bank may conclusively rely, as to the truth of the statements and the correctness of the opinions expressed therein, upon any certificate or opinion furnished to the Bank, conforming to the requirements of this Agreement, but notwithstanding any provision of this Agreement to the contrary, in the case of any such certificate or opinion or any evidence which by any provision hereof is specifically required to be furnished to the Bank, the Bank shall be under a duty to examine the same to determine whether it conforms to the requirements of this Agreement

The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer or Officers of the Bank unless it shall be proved that the Bank was negligent in ascertaining or acting upon the pertinent facts

The Bank shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the holders of not less than a majority in aggregate principal amount of all said Refunded Obligations at the time outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Bank not in conflict with the intent and purpose of this Agreement For the purposes of determining whether the holders of the required principal amount of said Refunded Obligations have concurred in any such direction, Refunded Obligations owned by any obligor upon the Refunded Obligations, or by any person directly or indirectly controlling or controlled by or under direct or indirect common control with such obligor, shall be disregarded, except that for the purposes of determining whether the Bank shall be protected in relying on any such direction only Refunded Obligations which the Bank knows are so owned shall be so disregarded

The term "Responsible Officers" of the Bank, as used in this Agreement, shall mean and include the Chairman of the Board of Directors, the President, any Vice President and any Second Vice President, the Secretary and any Assistant Secretary, the Treasurer and any Assistant Treasurer, and every other officer and assistant officer of the Bank customarily performing functions similar to those performed by the persons who at the time shall be

officers, respectively, or to whom any corporate trust matter is referred, because of his knowledge of and familiarity with a particular subject, and the term "Responsible Officer" of the Bank, as used in this Agreement, shall mean and include any of said officers or persons

SECTION 18 Limitation Re Bank's Duties/Responsibilities/Liabilities to Third Parties The Bank shall not be responsible or liable to any person in any manner whatever for the sufficiency, correctness, genuineness, effectiveness, or validity of this Agreement with respect to the County, or for the identity or authority of any person making or executing this Agreement for and on behalf of the County. The Bank is authorized by the County to rely upon the representations of the County with respect to this Agreement and the deposits made pursuant hereto and as to the County's right and power to execute and deliver this Agreement, and the Bank shall not be liable in any manner as a result of such reliance. The duty of the Bank hereunder shall only be to the County and the holders of the Refunded Obligations. Neither the County nor the Bank shall assign or attempt to assign or transfer any interest hereunder or any portion of any such interest. Any such assignment or attempted assignment shall be in direct conflict with this Agreement and be without effect.

SECTION 19 Interpleader In the event conflicting demands or notices are made upon the Bank growing out of or relating to this Agreement or the Bank in good faith is in doubt as to what action should be taken hereunder, the Bank shall have the right at its election to

(a) Withhold and stop all further proceedings in, and performance of, this Agreement with respect to the issue in question and of all instructions received hereunder in regard to such issue, and

(b) File a suit in interpleader and obtain an order from a court of appropriate jurisdiction requiring all persons involved to interplead and litigate in such court their several claims and rights among themselves

In the event the Bank becomes involved in litigation in connection with this Section, the County, to the extent permitted by law, agrees to indemnify and save the Bank harmless from all loss, cost, damages, expenses and attorney fees suffered or incurred by the Bank as a result thereof. The obligations of the Bank under this Agreement shall be performable at the corporate office of the Bank in the City of Jacksonville, Florida

The Bank may advise with legal counsel in the event of any dispute or question regarding the construction of any of the provisions hereof or its duties hereunder, and in the absence of negligence or bad faith on the part of the Bank, no liability shall be incurred by the Bank for any action taken pursuant to this Section and the Bank shall be fully protected in acting in accordance with the opinion and instructions of legal counsel that is knowledgeable and has expertise in the field of law addressed in any such legal opinion or with respect to the instructions given

SECTION 20 Accounting - Annual Report Promptly after September 30th of each year, commencing with the year 1998, while the Escrow Fund is maintained under this Agreement, the Bank shall forward to the County, to the attention of the County Auditor or other designated official of the County, a statement in detail of the Federal Securities and monies held, and the current income and maturities thereof, and the withdrawals of money from the Escrow Fund for the preceding 12 month period ending September 30th of each year

SECTION 21 Notices Any notice, authorization, request or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid addressed as follows

POLK COUNTY, TEXAS

Polk County Courthouse
Livingston, Texas 77351

Attention County Auditor

THE BANK OF NEW YORK

10161 Centurion Parkway, 2nd Floor
Jacksonville, Florida 32256

Attention Corporate Trust Department

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery

Any party hereto may change the address to which notices are to be delivered by giving to the other parties not less than ten (10) days prior notice thereof

SECTION 22 Performance Date Whenever under the terms of this Agreement the performance date of any provision hereof, including the date of maturity of interest on or principal of the Refunded Obligations, shall be a Sunday or a legal holiday or a day on which the Bank is authorized by law to close, then the performance thereof, including the payment of principal of and interest on the Refunded Obligations, need not be made on such date but may be performed or paid, as the case may be, on the next succeeding business day of the Bank with the same force and effect as if made on the date of performance or payment and with respect to a payment, no interest shall accrue for the period after such date

SECTION 23 Warranty of Parties Re Power to Execute and Deliver Escrow Agreement The County covenants that it will faithfully perform at all times any and all covenants, undertakings, stipulations and provisions contained in this Agreement, in any and every said Refunded Obligation as executed, authenticated and delivered and in all proceedings pertaining thereto as said Refunded Obligations shall have been modified as provided in this Agreement. The County covenants that it is duly authorized under the Constitution and laws of the State of Texas to execute and deliver this Agreement, that all actions on its part for the payment of said Refunded Obligations as provided herein and the execution and delivery of this Agreement have been duly and effectively taken and that said Refunded Obligations and coupons in the hands of the holders and owners thereof are and will be valid and enforceable obligations of the County according to the import thereof as provided in this Agreement

SECTION 24 Severability If any one or more of the covenants or agreements provided in this Agreement on the part of the parties to be performed should be determined by a court of competent jurisdiction to be contrary to law, such covenant or agreement shall be deemed and construed to be severable from the remaining covenants and agreements herein contained and shall in no way affect the validity of the remaining provisions of this Agreement. In the event any covenant or agreement contained in this Agreement is declared to be severable from the other provisions of this Agreement, written notice of such event shall immediately be given to each national rating service (Moody's Investors Service, Standard & Poor's Corporation or Fitch Investors Service) which has rated the Refunded Obligations on the basis of this Agreement

SECTION 25 Termination This Agreement shall terminate when the Refunded Obligations, including interest due thereon, have been paid and discharged in accordance with the provisions of this Agreement. If any Refunded Obligations are not presented for payment when due and payable, the nonpayment thereof shall not

prevent the termination of this Agreement Funds for the payment of any nonpresented Refunded Obligations and accrued interest thereon shall upon termination of this Agreement be held by the Bank for such purpose in accordance with Section 7 hereof Any moneys or Federal Securities held in the Escrow Fund at termination and not needed for the payment of the principal or interest on any of the Refunded Obligations shall be paid or transferred to the County

SECTION 26 Time of the Essence Time shall be of the essence in the performance of obligations from time to time imposed upon the Bank by this Agreement

SECTION 27 Successors/Assigns (a) Should the Bank not be able to legally serve or perform the duties and obligations under this Agreement, or should the Bank be declared to be insolvent or closed for any reason by federal or state regulatory authorities or a court of competent jurisdiction, the County, upon being notified or discovering the Bank's inability or disqualification to serve hereunder, shall forthwith appoint a successor to replace the Bank, and upon being notified of such appointment, the Bank shall (1) transfer all funds and securities held hereunder, together with all books, records and accounts relating to the Escrow Fund and the Refunded Obligations, to such successor and (11) assign all rights, duties and obligations under this Agreement to such successor If the County should fail to appoint such a successor within ninety (90) days from the date the County discovers, or is notified of, the event or circumstance causing the Bank's inability or disqualification to serve hereunder, the Bank, or a bondholder of the Refunded Obligations, may apply to a court of competent jurisdiction to appoint a successor or assigns of the Bank and such court, upon determining the Bank is unable to continue to serve, shall appoint a successor to serve under this Agreement and the amount of compensation, if any, to be paid to such successor for the remainder of the term of this Agreement for services to be rendered both for administering the Escrow Fund and for paying agent duties and responsibilities for the Refunded Obligations

(b) Furthermore, the Bank may resign and be discharged from performing its duties and responsibilities under this Agreement upon notifying the County in writing of its intention to resign and requesting the County to appoint a successor No such resignation shall take effect until a successor has been appointed by the County and such successor has accepted such appointment and agreed to perform all duties and obligations hereunder for a total compensation equal to the unearned proportional amount paid the Bank under Section 16 hereof for the administration of this Agreement and the unearned proportional amount of the paying agents fees for the Refunded Obligations due the Bank

Any successor to the Bank shall be a bank, trust company or other financial institution that is duly qualified under applicable law (the Act or other appropriate statute) to serve as escrow agent hereunder and authorized and empowered to perform the duties and obligations contemplated by this Agreement and organized and doing business under the laws of the United States or the State of Texas, having its principal office and place of business in the State of Texas, having a combined capital and surplus of at least \$5,000,000 and be subject to the supervision or examination by Federal or State authority

Any successor or assigns to the Bank shall execute, acknowledge and deliver to the County and the Bank, or its successor or assigns, an instrument accepting such appointment hereunder, and the Bank shall execute and deliver an instrument transferring to such successor, subject to the terms of this Agreement, all the rights, powers and trusts created and established and to be performed under this Agreement. Upon the request of any such successor Bank, the County shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Bank all such rights, powers and duties. The term "Bank" as used herein shall be the Bank and its legal assigns and successor hereunder.

SECTION 28 Escrow Agreement - Amendment/Modification This Agreement shall be binding upon the County and the Bank and their respective successors and legal representatives and shall inure solely to the benefit of the holders of the Refunded Obligations, the County, the Bank and their respective successors and legal representatives. Furthermore, no alteration, amendment or modification of any provision of this Agreement shall (1) alter the firm financial arrangements made for the payment of the Refunded Obligations or (2) be effective unless (1) prior written consent of such alteration, amendment or modification shall have been obtained from the holders of all Refunded Obligations outstanding at the time of such alteration, amendment or modification and (11) such alteration, amendment or modification is in writing and signed by the parties hereto, provided, however, the County and the Bank may, without the consent of the holders of the Refunded Obligations, amend or modify the terms and provisions of this Agreement to cure in a manner not adverse to the holders of the Refunded Obligations any ambiguity, formal defect or omission in this Agreement. If the parties hereto agree to any amendment or modification to this Agreement, prior written notice of such amendment or proposed modification, together with the legal documents amending or modifying this Agreement, shall be furnished to each national rating service (Standard & Poor's Corporation, Moody's Investors Service or Fitch Investors Service) which has rated the Refunded Obligations on the basis of this Agreement, prior to such amendment or modification being executed.

SECTION 29 Effect of Headings The Section headings herein are for convenience only and shall not affect the construction hereof

SECTION 30 Executed Counterparts This Agreement may be executed in several counterparts, all or any of which shall be regarded for all purposes as one original and shall constitute and be but one and the same instrument This Agreement shall be governed by the laws of the State of Texas and shall be effective as of the date of the delivery of the Bonds

IN WITNESS WHEREOF, the parties hereto have each caused this Agreement to be executed by their duly authorized officers and their corporate seals to be hereunto affixed and attested as of the date first above written

POLK COUNTY, TEXAS

ATTEST

County Judge

Barbara Middleton

County Clerk

(Commissioners Court Seal)

THE BANK OF NEW YORK,
New York, New York,
as Escrow Agent

Banking Officer/Agent

ATTEST

Authorized Signer

(Bank Seal)

Exhibit D
to
Order

DESCRIPTION OF ANNUAL FINANCIAL INFORMATION AND OPERATING DATA

Information and Data

The following information and data with respect to the County referred to in Section 31 of this Order are the quantitative financial information and operating data specified and included in the Appendix or under the headings of the Official Statement referred to) below

1 The financial statements of the County appended to the Official Statement as Appendix B, but for the most recently concluded fiscal year

2 The information contained in Tables 1 through 6 and 8 through 13 of the Official Statement

Accounting Principles

The accounting principles referred to in such Section with respect to the County are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above

CERTIFICATE OF COUNTY CLERK

THE STATE OF TEXAS §
 §
COUNTY OF POLK §

I, the undersigned, County Clerk and Ex-Officio Clerk of the Commissioners Court of Polk County, Texas, DO HEREBY CERTIFY as follows

1 On the 13th day of January, 1998, a regular meeting of the Commissioners Court of Polk County, Texas, was held at the regular meeting place of the Court in the County Courthouse, Livingston, Texas, the duly constituted members of the Court being as follows

JOHN P THOMPSON	COUNTY JUDGE
B E SPEIGHTS	COMMISSIONER, PRECINCT NO 1
BOBBY SMITH	COMMISSIONER, PRECINCT NO 2
JAMES J PURVIS	COMMISSIONER, PRECINCT NO 3
R R HUBERT	COMMISSIONER, PRECINCT NO 4

and all of said persons were present at said meeting, except the following None Among other business considered at said meeting, the attached order entitled

"AN ORDER authorizing the issuance of 'POLK COUNTY, TEXAS, PERMANENT IMPROVEMENT REFUNDING BONDS, SERIES 1998', specifying the terms and features of said bonds, levying a continuing direct annual ad valorem tax for the payment of said bonds, and resolving other matters incident and related to the issuance, sale, payment and delivery of said bonds, including the approval and execution of a Paying Agent/Registrar Agreement, a Purchase Contract and Special Escrow Agreement and the approval and distribution of an Official Statement pertaining thereto, and providing an effective date "

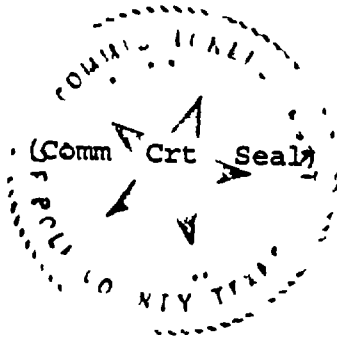
was introduced and submitted to the Court for passage and adoption After presentation and due consideration of the order and, upon a motion made by Commissioner James J Purvis and seconded by Commissioner Bobby Smith, the order was duly passed and adopted by the Court to be effective immediately by the following vote

All voted "For" None voted "Against" None abstained

all as shown in the official Minutes of the Court for the meeting held on the aforesaid date

2 The attached order is a true and correct copy of the original on file in the official records of the County, the duly qualified and acting members of the Commissioners Court of said County on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to each member of the Court, and that said meeting, and the deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the above entitled order, was posted and given in advance thereof in compliance with the provisions of V T C A , Government Code, Chapter 551, as amended

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of the Commissioners Court of said County, this the 13th day of January, 1998



Barbara Niddleton
County Clerk and Ex-Officio Clerk
of the Commissioners Court
of Polk County, Texas

\$2,070,000
POLK COUNTY, TEXAS
PERMANENT IMPROVEMENT REFUNDING BONDS
SERIES 1998

PURCHASE CONTRACT

January 13, 1998

Honorable County Judge
and Commissioners Court
Polk County, Texas
Polk County Courthouse
Livingston, Texas 77351

Ladies and Gentlemen

The undersigned, Southwest Securities Incorporated (the "Underwriter"), offers to enter into the following agreement with Polk County, Texas (the "County") which, upon your acceptance of this offer, will be binding upon the County and upon the Underwriter

This offer is made subject to County's acceptance of this agreement, on the date hereof and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the County at any time prior to the acceptance by the County

1 Purchase Price Based on the representations, warranties and covenants contained herein and subject to the terms and conditions hereinafter provided, the Underwriter agrees to purchase from the County, and the County agrees to sell to the Underwriter, an aggregate of \$2,070,000 principal amount of Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998 (the "Bonds")
The Bonds shall be dated January 15, 1998 and shall have the maturities and bear interest from their date at the rate or rates per annum shown on the cover page of the Official Statement (hereinafter defined), such interest being payable on August 15, 1998, and semiannually thereafter on February 15 and August 15 in each year. The purchase price for the Bonds shall be \$2,055,505.80 (the principal amount of the Bonds, less an Underwriter's Discount of \$14,494.20), together with accrued interest on the Bonds from January 15, 1998, to the date of the Closing (as hereinafter defined)

Delivered to the County herewith is a corporate check of Southwest Securities Incorporated payable to the order of the

County in the amount of \$20,750 00. The County agrees to hold such check uncashed until the Closing to ensure the performance by the Underwriter of its obligation to purchase, accept delivery of and pay for the Bonds at the Closing. Concurrently with the payment by the Underwriter of the purchase price of the Bonds, the County shall return such check to the Underwriter as provided in paragraph 6 hereof. Should the County fail to deliver the Bonds at the Closing, or should the County be unable to satisfy the conditions of the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds, as set forth in this Purchase Contract (unless waived by the Underwriter), or should such obligations of the Underwriter be terminated for any reason permitted by this Purchase Contract, such check shall be immediately returned to the Underwriter. In the event the Underwriter fails (other than for a reason permitted hereunder) to purchase, accept delivery of and pay for the Bonds at the Closing as herein provided, such check shall be retained by the County as and for full liquidated damages for such failure of the Underwriter and for any defaults hereunder on the part of the Underwriter. The Underwriter hereby agrees not to stop or cause payment on said check to be stopped unless the County has breached any of the terms of this Purchase Contract.

2 Order The Bonds are to be issued and secured under the provisions of an order authorizing the issuance and sale of the Bonds (the "Order") duly adopted and passed by the Commissioners Court of the County. The Bonds shall have stated maturities and bear interest at the rate or rates per annum and shall have other such terms and features as described in the Official Statement (as hereinafter defined) referred to below.

3 Public Offering It shall be a condition of the obligation of the County to sell and deliver the Bonds to the Underwriters, and of the obligation of the Underwriter to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds authorized by the Order shall be sold and delivered by the County and accepted and paid for by the Underwriter at the Closing. The Underwriter agrees to make a bona fide public offering of all of the Bonds, and sell a substantial amount of the Bonds of each maturity at prices not in excess of the initial public offering prices set forth on the cover page of the Official Statement, plus interest accrued thereon from the date of the Bonds.

4 Official Statement/SEC Rule 15c2-12 Compliance (a) Exhibit A attached hereto is the Official Statement, including the cover page and appendices thereto, prepared in connection with the public offering and sale of the Bonds. Such Official Statement, together with the Appendixes thereto, as further amended or supplemented only in the manner hereinafter provided, is herein called the "Official Statement."

(b) The County confirms its consent to the use by the Underwriter prior to the date hereof of the Preliminary Official Statement (the "Preliminary Official Statement") in connection with the preliminary public offering and sale of the Bonds. The County hereby confirms that the Preliminary Official Statement was "deemed final" as of its date, within the meaning, and for the purposes, of Rule 15c2-12 under the Securities Exchange Act of 1934 (the "Rule"). The County agrees to cooperate with the Underwriter to provide a supply of final Official Statements within seven (7) business days of the date hereof in sufficient quantities to comply with the Underwriter's obligation under applicable MSRB Rules and the Rule. The Underwriter will use their best efforts to assist the County in the preparation of the final Official Statement in order to ensure compliance with the aforementioned rules. Unless otherwise notified in writing by the Underwriter by the Closing date, the County can assume that the "end of the underwriting period" for purposes of the Rule shall be the Closing date. In the event such notice is so given in writing by the Underwriter, the Underwriter agrees to notify the County in writing following the occurrence of the "end of the underwriting period" as defined in the Rule. The "end of the underwriting period" as used in this Contract shall mean the Closing date or such later date as to which notice is given by the Underwriter in accordance with the preceding sentence.

(c) To the best knowledge and belief of the County, the Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account or person that is material to an evaluation of the offering of the Bonds. The County has not entered into any previous continuing disclosure undertaking in a written contract or agreement specified in SEC Rule 15c2-12(b)(5)(1) and, accordingly, has not failed to comply with any such undertaking.

4 Official Statement Exhibit A attached hereto is the Official Statement, including the cover page and appendices thereto, prepared in connection with the public offering and sale of the Bonds. Such Official Statement, together with the Appendixes thereto, as further amended or supplemented only in the manner hereinafter provided, is herein called the "Official Statement."

The County hereby represents and deems such Official Statement to be a final Official Statement within the meaning of Rule 15c2-12 of the Securities and Exchange Commission. The County agrees to provide the Underwriter, within seven business days after the effective date of this Purchase Contract, with copies of the final Official Statement in sufficient quantity as will permit the Underwriter to comply with paragraph (b)(4) of Rule 15c2-12 and the rules of the Municipal Securities Rulemaking Board. Furthermore,

the County authorizes and approves the distribution and use by the Underwriter of the Official Statement in connection with the offering and sale of the Bonds

5 Representations and Warranties The County hereby represents and warrants to the Underwriter that

(a) The County is a body politic and corporate, a political subdivision of the State of Texas organized and existing under the laws of the State of Texas, and a municipal corporation duly created, organized and existing in good standing under the laws of the State of Texas

(b) The County has the power and is authorized under the Constitution and the laws of the State of Texas, including particularly Article 717k of the Texas Revised Civil Statutes Annotated, as amended (the "Act"), to (1) issue the bonds for the purpose for which they are to be issued and (11) enter into and perform this Purchase Contract and the Escrow Agreement

(c) The County has the requisite right, power, and authority (1) to adopt the order authorizing the issuance of the Bonds and the execution and delivery of this Purchase Contract and the Escrow Agreement, (11) to execute, delivery and perform its obligation under this Purchase Contract and the Escrow Agreement, and (111) to consummate the transactions contemplated by such instruments and the Official Statement and the County has complied with all provisions of applicable law and all matters relating to such transactions

(d) The County has, or will have prior to Closing, duly authorized all necessary action to be taken by it for (1) the issuance and sale of the Bonds upon the terms set forth herein and in the Official Statement, (11) the approval of the Official Statement and the signing of the Official Statement by a duly authorized officer, and (111) the execution, delivery and receipt of this Purchase Contract, the Bonds, the Escrow Agreement, and any and all such other agreements and documents as may be required to be executed, delivered and received by the County in order to carry out, give effect to, and consummate the transactions contemplated hereby or by the Bonds, the Official Statement, and the Escrow Agreement

(e) The Bonds, when issued, delivered and paid for as herein provided, will have been duly authorized, executed and issued and will constitute legal, valid and binding obligations of the County entitled to the benefits of the Order

(f) There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending against the County or, to the knowledge of the County, threatened against or affecting the County (or, to the knowledge of the County any basis therefor) contesting the due organization and valid corporate existence of the County or the validity of the Act or failure to act by the County or wherein an unfavorable decision, ruling or finding would adversely affect (i) the transactions contemplated hereby or by the Official Statement, (ii) the validity or due adoption of the Order, or the validity, due authorization and execution of the Bonds, this Purchase Contract, the Escrow Agreement or any agreement or instrument to which the County is a party and which is used or contemplated for use in the consummation of the transactions contemplated hereby or by the Official Statement, or (iii) the exclusion of the interest on the Bonds from federal income taxes pursuant to Section 103 of the Internal Revenue Code of 1986, as amended. The County is not a party to any litigation or other proceeding pending or, to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the County, would have a material adverse effect on the financial condition of the County.

(g) The authorization, execution and delivery by the County of the Official Statement, this Purchase Contract, the Bonds, the Escrow Agreement and the other documents contemplated hereby and by the Official Statement, the adoption of the Order by the County, the consummation of the transactions contemplated thereby and compliance by the County with the provisions of such instruments, do not and will not conflict with or constitute on the part of the County a breach of or a default under any provision of the Constitution of the State of Texas or any other existing law, court or administrative decision, regulation, decree or order or any agreement, indenture, mortgage, lease or other instrument by which the County or its properties are or, on the date of Closing, will be bound or affected.

(h) The information contained in the Official Statement is and, as of the date of Closing, will be correct in all material respects, and such information does not contain and will not contain any untrue statement of a material fact and does not omit and will not omit to state a material fact required to be stated therein or necessary to make the statements in such Official Statement, in light of the circumstances under which they were made, not misleading.

(i) All approvals, consents and orders of any governmental authority or agency having jurisdiction of any matter which would constitute a condition precedent to the performance by the County of its obligations to sell and deliver the Bonds hereunder will have been obtained prior to the Closing

(j) The County will cooperate with the Underwriter in arranging for the qualification of the Bonds for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriter designates, and will use their best efforts to continue such qualifications in effect so long as required for distribution of the Bonds, provided, however, that the County will not be required to execute a general consent to service of process or to qualify to do business in connection with any such qualification in any jurisdiction

(k) The financial statements and information relating to the County included in the Official Statement present fairly the financial condition of the County at the respective dates and for the respective periods indicated and such financial statements were prepared in conformity with generally accepted accounting principles applied on a consistent basis throughout the periods presented

(l) If prior to the Closing an event occurs affecting the County which is materially adverse for the purpose for which the Official Statement is to be used and is not disclosed in the Official Statement, the County shall notify the Underwriter, and if in the opinion of the Underwriter such event requires a supplement or amendment to the Official Statement, the County will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter

6 Delivery of, and Payment for, the Bonds The consummation of the sale of the Bonds to the Underwriter (the "Closing") shall be held at the principal offices of The Bank of New York, New York, New York, or at such other location or locations as may be mutually agreed upon by the County and the Underwriter. The Closing shall be held at 10 00 A M , C S T , on February 12, 1998, or at such other time or date as shall have been mutually agreed upon by the County and the Underwriter

Subject to the conditions stated herein, at the Closing the County will deliver, or cause to be delivered, to the Underwriter the initial obligations registered in the name of Cede & Co in temporary form and will have available for immediate exchange the global certificates noted below to be deposited with The Depository

Trust Company, New York, New York, duly executed and authenticated and registered in the name of Cede & Co , together with the other documents hereinbelow identified, and the Underwriter will accept such delivery and pay the purchase price of the Bonds and the Certificates as set forth in paragraph 1 hereof in immediately available funds by a federal funds check or wire transfer to or for the account of the County. Delivery of the Bonds in exchange for the initial obligations shall be made to the Underwriter through The Depository Trust Company, New York, New York, utilizing the book entry only form of issuance and the County agrees to enter into such agreements, including the "Letter of Representations" to allow for the utilization of such book entry only system. The global certificates deposited with The Depository Trust Company shall be available for checking by the Underwriter at the office of The Depository Trust Company in New York, New York at least two business days prior to Closing.

7 Certain Conditions To Underwriter's Obligations The obligations of the Underwriter hereunder are subject to the satisfaction on or before the date of the Closing of each of the following conditions (unless waived by the Underwriter in writing)

(a) The representations and warranties of the County contained herein or on any certificate or other document delivered pursuant to the provisions hereof shall be true on and as of the date of the Closing as though such representations and warranties were made on and as of the date of the Closing.

(b) At the time of the Closing, the Order shall be in full force and effect, and the Order and the Escrow Agreement shall not have been amended, modified, or supplemented, and the Official Statement shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter.

(c) At the time of the Closing, all official action of the County related to the Order shall be in full force and effect and shall not have been amended, modified or supplemented.

(d) The County shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money.

(e) At or prior to the Closing, the Underwriter shall have received one (1) executed copy of each of the following documents:

(1) the approving opinion, dated the date of the Closing, of Fulbright & Jaworski L L P , as bond counsel ("Bond Counsel"), delivered to the Underwriter, relating to, among other things, the validity of the Bonds and the exclusion of the interest on the Bonds for federal income tax purposes, in substantially the form of Appendix C attached to the Official Statement,

(2) a certificate of the County, dated the date of Closing and signed on its behalf by the County Judge and County Auditor acting solely in their official capacities, in form satisfactory to the Underwriter, to the effect that (i) the representations and warranties of the County herein, or in any certificate or document delivered by the County pursuant to the provisions hereof, are true and correct on and as of the date of the Closing as though such representations and warranties were made on and as of the date of the Closing, and all agreements or conditions to be performed or complied with by the County hereunder on or prior to the date of the Closing have been performed or complied with, (ii) except to the extent disclosed in the Official Statement, no litigation is pending or, to the knowledge of such persons, threatened, in any court to restrain or enjoin the issuance or delivery of the Bonds, or the levy or collection of the taxes pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds, the Order, or this Purchase Contract, or contesting the powers of the County to issue the Bonds, or contesting authorization of the Bonds or the Order, or contesting in any way the accuracy, completeness or fairness of the Official Statement, (iii) to the best of such persons' knowledge, no event affecting the County has occurred since the date of the Official Statement which should be disclosed therein for the purpose for which it is to be used or which is necessary to be disclosed therein in order to make the statements and information therein not misleading in any material respect, and (iv) that there has not been any material adverse change in the

financial condition of the County, since September 30, 1996, the latest date as of which audited financial information is available,

(3) the Official Statement executed on behalf of the County by the County Judge and County Clerk,

(4) a copy of the Order and all other orders or resolutions or other proceedings of the County authorizing the issuance and sale of the Bonds and the execution and delivery of this Purchase Contract, the Official Statement and the Escrow Agreement, in each case certified by the County Clerk as having been duly adopted and being in full force and effect and as being true, accurate and complete copies thereof,

(5) an unqualified opinion, dated on or prior to the date of the Closing, of the Attorney General of the State of Texas, relating to the legality and validity of the Bonds and approving the Bonds as required by law,

(6) evidence satisfactory to the Underwriter that the Bonds have been registered by the Comptroller of Public Accounts of the State of Texas as required by law,

(7) a certificate of the County, dated the date of the Closing, and signed by the County Auditor or other authorized officer of the County, in the form approved by Bond Counsel and satisfactory to the Underwriter, with respect to the interest on the Bonds being excludable from gross income for federal income tax purposes,

(8) an executed copy of the Escrow Agreement,

(9) a copy of a special report prepared by KPMG Peat Marwick L L P , independent certified public accountants, addressed to the County, Bond Counsel and the Underwriters, verifying (1) the arithmetical computations of

the adequacy of the maturing principal and interest on the federal securities held under the Escrow Agreement and uninvested cash on hand under the Escrow Agreement to pay, when due, the principal of and interest on the Refunded Obligations, and (11) the computation of the yield with respect to such federal securities and the Bonds,

(10) a copy of the municipal bond insurance policy issued by Financial Security Assurance, Inc

(11) such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter or Bond Counsel may reasonably request to evidence compliance by the County with legal requirements, the truth and accuracy, as of the time of Closing, of the representations and warranties of the County contained herein and the due performance or satisfaction by the County at or prior to such time of all agreements then to be performed and all conditions then to be satisfied by the County

All such opinions, certificates, letters, agreements and documents will be in compliance with the provisions hereof only if they are satisfactory in form and substance to the Underwriter and its counsel and to Bond Counsel. The Underwriter shall be entitled to receive such conformed copies or photocopies of such opinions, certificates, letters, agreements and documents as the Underwriter may reasonably request

8 Conditions to County's Obligations The obligations of the County hereunder to deliver the Bonds shall be subject to receipt on or before the date of the Closing of the opinion of Attorney General described in Section 7 (f) (5) hereof and the opinion of Bond Counsel described in Section 7(f) (1) hereof

9 Termination The Underwriter shall have the right to cancel its obligation to purchase the Bonds at any time before the Closing if any of the following should occur

(a) (1) Legislation (including any amendment thereto) shall have been introduced in or adopted by either House of the Congress of the United States, or recommended to the Congress for passage by the President of the United States or reported favorably for passage to

either House of the Congress by any Committee of such House, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or by the United States Tax court, or (iii) an order, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or any other agency of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii) or (iv), would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds or upon income of the general character to be derived by the County, other than as imposed on the Bonds and income therefrom under the Federal tax laws in effect on the date hereof, in such a manner as in the judgment of the Underwriter would materially impair the marketability or materially reduce the market price of obligations of the general character of the Bonds

(b) Legislation is enacted by the Congress of the United States to become effective on or prior to the Closing, a decision of a court, or a ruling, regulation or proposed regulation by or on behalf of the Securities and Exchange Commission or other agency having jurisdiction over the issuance, sale and delivery of the Bonds, or any other obligations of similar public body of the general character of the County, is made to the effect that such action is in violation of the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the execution and delivery of the Order or any indenture of similar character is in violation of the Trust Indenture Act of 1939, as amended, or with the purpose or effect of otherwise prohibiting the issuance, sale or delivery of the Bonds, as contemplated hereby or by the Official Statement, or of obligations of the general character of the Bonds,

(c) (1) The Constitution of the State of Texas shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of Texas law, or (iv) any order, ruling or regulation shall have been issued or proposed by or on behalf of the State of Texas by an official, agency or department thereof, affecting the tax status of the County, its property or income, its bonds

(including the Bonds) or the interest thereon, which in the judgment of the Underwriter would materially affect the market price of the Bonds

(d) (i) A general suspension of trading in securities occurs on the New York Stock Exchange, or (ii) the United States shall have become engaged in hostilities which have resulted in the declaration, on or after the date of this Purchase Contract, of a national emergency or war, the effect of which, in either case is, in the judgment of the Purchaser, so material and adverse as to make it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner contemplated in this Purchase Contract and the Official Statement

(e) An event described in paragraph 5(j) hereof occurs which, in the opinion of the Underwriter, requires a supplement or amendment to the Official Statement

(f) A general banking moratorium shall have been declared by either federal, Texas or New York authorities

(g) There shall have occurred since the date of this Purchase Contract any material adverse change in the affairs or financial condition of the County, except for changes which the Official Statement discloses have occurred or may occur

(h) Any event occurs which prevents the United States Treasury Department from delivering on the Closing Date the State and Local Government Securities subscribed for by the County in connection with the issuance of the Bonds

If the County shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds as set forth in this Purchase Contract, or if the obligations of the Underwriter to purchase, to accept delivery of and to pay for the Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and be of no further force or effect, and neither the Underwriter nor the County shall be under further obligation hereunder, except that the respective obligations of the County and the Underwriter set forth in paragraphs 10 and 11 hereof shall continue in full force and effect

If the Underwriter fails (other than for a reason permitted hereunder) to accept and pay for the Bonds upon the proper tender thereof by the County at the Closing as herein provided, the maximum liability of the Underwriter to the County will be limited to the amount of the good faith check and the expenses set forth in paragraph 11 hereof. The Underwriter agrees and acknowledges that such amount is reasonable to compensate adequately the County for its costs and expenses incurred in connection with the transactions contemplated hereby. When paid to the County, the maximum amount shall serve as full liquidated damages for such failure and for any and all defaults hereunder on the part of the Underwriter, and such maximum amount shall constitute a full release and discharge of all claims and damages for such failure and for any and all such defaults, and neither the County, nor other person, shall have any further action for damages, specific performance or any other legal or equitable relief against the Underwriter.

10 Survival of Representations All representations, warranties and agreements of the County hereunder or in any certificate delivered pursuant hereto shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, and shall survive the delivery of and payment for the Bonds and any termination of this Purchase Contract by the Underwriter pursuant to the terms hereof.

11 Payment of Expenses Costs related to the issuance and sale of the Bonds, including, but not limited to, costs of preparation and printing the Bonds, the Official Statement, postage, the cost of obtaining credit ratings on the Bonds, and the fees and disbursements of Bond Counsel to the County, shall be paid out of the proceeds of the Bonds. The Underwriter shall pay for its costs related to the purchase of the Bonds, including, without limitation, advertising expenses and any expenses incurred in connection with the qualification of the Bonds under any securities or "Blue Sky" laws of any state or other jurisdiction.

12 Notices Any notice or other communication to be given to the County under this Purchase Contract may be given by delivering the same in writing at its address set forth above, Attention County Judge, and any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Southwest Securities, Incorporated, 1201 Elm Street, Suite 3500, Dallas, Texas 75201, Attention Mike Wadsworth.

13 Parties This Purchase Contract is made solely for the benefit of the County and the Underwriter (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof

14 Governing Law This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Texas

15 General This Purchase Contract may be executed in several counterparts, each of which shall be regarded as an original and all of which will constitute one and the same instrument The section headings of this Purchase Contract are for convenience of reference only and shall not affect its interpretation This Purchase Contract shall become effective upon your acceptance hereof and delivery of a signed copy of this Agreement to the Underwriter

Very truly yours,

SOUTHWEST SECURITIES INCORPORATED

By Michael J. Wadsworth
Title Senior Vice President

Accepted and agreed to as of
the date first above written

POLK COUNTY, TEXAS

By John P. Thompson
County Judge

ATTEST

Barbara Middleton
County Clerk

(Commissioners Court Seal)

EXHIBIT A
OFFICIAL STATEMENT

048824

CERTIFICATE OF COUNTY CLERK

THE STATE OF TEXAS §
 §
 COUNTY OF POLK §

I, the undersigned, County Clerk and Ex-Officio Clerk of the Commissioners Court of Polk County, Texas, DO HEREBY CERTIFY as follows

1 On the 13th day of January, 1998, a regular meeting of the Commissioners Court of Polk County, Texas, was held at the regular meeting place of the Court in the County Courthouse, Livingston, Texas, the duly constituted members of the Court being as follows

JOHN P THOMPSON

COUNTY JUDGE

B E SPEIGHTS

COMMISSIONER, PRECINCT NO 1

BOBBY SMITH

COMMISSIONER, PRECINCT NO 2

JAMES J PURVIS

COMMISSIONER, PRECINCT NO 3

R R HUBERT

COMMISSIONER, PRECINCT NO 4

and all of said persons were present at said meeting, except the following None Among other business considered at said meeting, the attached order entitled

"AN ORDER providing for the redemption of certain outstanding obligations of the County, and resolving other matters incident and related to the redemption of such obligations "

was introduced and submitted to the Court for passage and adoption After presentation and due consideration of the order and, upon a motion made by Commissioner James J. Purvis and seconded by Commissioner Bobby Smith, the order was duly passed and adopted by the Court to be effective immediately by the following vote

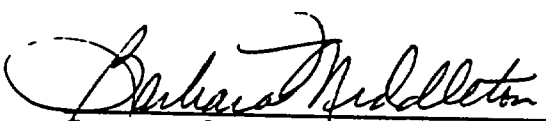
All voted "For" None voted "Against" None abstained

all as shown in the official Minutes of the Court for the meeting held on the aforesaid date

2 The attached order is a true and correct copy of the original on file in the official records of the County, the duly qualified and acting members of the Commissioners Court of said County on the date of the aforesaid meeting are those persons shown above and, according to the records of my office, advance notice of the time, place and purpose of the meeting was given to

each member of the Court, and that said meeting, and the deliberation of the aforesaid public business, was open to the public and written notice of said meeting, including the subject of the above entitled order, was posted and given in advance thereof in compliance with the provisions of V T C A , Government Code, Chapter 551, as amended

IN WITNESS WHEREOF, I have hereunto signed my name officially and affixed the seal of the Commissioners Court of said County, this the 13th day of January, 1998



County Clerk and Ex-Officio Clerk
of the Commissioners Court
of Polk County, Texas



AN ORDER providing for the redemption of certain outstanding obligations of the County, and resolving other matters incident and related to the redemption of such obligations

WHEREAS, pursuant to orders passed and adopted by the Commissioners Court of Polk County, Texas, the following described obligations were duly authorized to be issued and are currently outstanding, to wit

(1) Polk County, Texas, Certificates of Obligation, Series 1986, dated May 15, 1986, aggregating in principal amount \$400,000, and scheduled to mature on February 15 in each of the years 1999 through 2002,

(2) Polk County, Texas, Certificates of Obligation, Series 1990, dated October 15, 1990, aggregating in principal amount \$775,000, and scheduled to mature on August 15 in each of the years 2002 through 2005,

(3) Polk County, Texas, Tax and Solid Waste Disposal System Surplus Revenue Certificates of Obligation, Series 1991, dated October 15, 1991, aggregating in principal amount \$750,000, and scheduled to mature on August 15 in each of the years 2004 through 2006,

AND WHEREAS, the above identified obligations were authorized, issued, sold and delivered subject to the right and authority of the County to redeem the same prior to maturity, as provided in the authorizing respective orders and in said obligations, and

WHEREAS, in connection with the advance refunding of the above described obligations, the Commissioners Court hereby finds and determines that obligations of the respective series should be redeemed prior to their maturities on the date and in the manner hereinafter provided and in accordance with the requirements prescribed therefor and notice of redemption of such obligations should be approved and authorized to be given at this time by the Court, now, therefore,

BE IT ORDERED, ADJUDGED AND DECREED BY THE COMMISSIONERS COURT OF POLK COUNTY, TEXAS

SECTION 1 The certificates of obligation of that series known as "Polk County, Texas, Certificates of Obligation, Series 1986", dated May 15, 1986, maturing in the years 1999 through 2002 and aggregating in principal amount \$400,000, shall be redeemed and the same are hereby called for redemption on February 15, 1998, at

the price of par and accrued interest to the date of redemption. The County Clerk is hereby authorized and directed to file a copy of this order, together with a suggested form of notice of redemption to be sent to the certificateholders, with The Bank of New York, New York, New York (successor paying agent/registrars to First City National Bank of Austin), in accordance with the redemption provisions applicable to such obligations, such form of notice of redemption being attached hereto as Exhibit A and incorporated herein by reference as a part of this order for all purposes.

SECTION 2 The certificates of obligation of that series known as "Polk County, Texas, Certificates of Obligation, Series 1990", dated October 15, 1990, maturing in the years 2002 through 2005 and aggregating in principal amount \$775,000, shall be redeemed and the same are hereby called for redemption on August 15, 2000, at the price of par and accrued interest to the date of redemption. The County Clerk is hereby authorized and directed to file a copy of this order, together with a suggested form of notice of redemption to be sent to the certificateholders, with The Bank of New York, New York, New York (successor paying agent/registrars to First City, Texas-Austin, N A), in accordance with the redemption provisions applicable to such obligations, such form of notice of redemption being attached hereto as Exhibit B and incorporated herein by reference as a part of this order for all purposes.

SECTION 3 The certificates of obligation of that series known as "Polk County, Texas, Tax and Solid Waste Disposal System Surplus Revenue Certificates of Obligation, Series 1991", dated October 15, 1991, maturing in the years 2004 through 2006 and aggregating in principal amount \$750,000, shall be redeemed and the same are hereby called for redemption on August 15, 2001, at the price of par and accrued interest to the date of redemption. The County Clerk is hereby authorized and directed to file a copy of this order, together with a suggested form of notice of redemption to be sent to the certificateholders, with The Bank of New York, New York, New York (successor paying agent/registrars to First City, Texas-Austin, N A), in accordance with the redemption provisions applicable to such obligations, such form of notice of redemption being attached hereto as Exhibit C and incorporated herein by reference as a part of this order for all purposes.

SECTION 4 The redemption of the obligations described above being associated with the advance refunding of such obligations, the approval, authorization and arrangements herein given and provided for the redemption of such obligations on the redemption date designated therefor and in the manner provided shall be irrevocable upon the issuance and delivery of the "Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998", dated

January 15, 1998, and the County Clerk is hereby authorized and directed to make all arrangements necessary to notify the holders of such obligations of the County's decision to redeem such obligations on the date and in the manner herein provided and in accordance with the order authorizing the issuance of such obligations

PASSED AND ADOPTED, this January 13, 1998

POLK COUNTY, TEXAS

County Judge

ATTEST

Barbara Middleton

County Clerk and Ex-Officio Clerk
of the Commissioners Court

(Commissioners Court Seal)

EXHIBIT A

NOTICE OF REDEMPTION

POLK COUNTY, TEXAS, CERTIFICATES OF OBLIGATION
SERIES 1986
DATED MAY 15, 1986

NOTICE IS HEREBY GIVEN that the certificates of obligation of the above series maturing on and after February 15, 1999 and aggregating in principal amount \$400,000 have been called for redemption on February 15, 1998 at the redemption price of par and accrued interest to the date of redemption, such certificates being identified as follows

<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>
1999	\$100,000
2000	100,000
2001	100,000
2002	100,000

ALL SUCH CERTIFICATES shall become due and payable on February 15, 1998, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates shall be paid to the registered owners of the certificates only upon presentation and surrender of such obligations to The Bank of New York Information Services, 1301 Fannin Street, Suite 2215, Houston, Texas 77001 The Bank of New York is successor paying agent/registrar to First City National Bank of Austin)

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said certificates and pursuant to an order by the Commissioners Court of Polk County, Texas

THE BANK OF NEW YORK,
New York, New York,
as Paying Agent/Registrar

Address 10161 Centurion Parkway
2nd Floor
Jacksonville, FL 32256

EXHIBIT B

NOTICE OF REDEMPTION

POLK COUNTY, TEXAS, CERTIFICATES OF OBLIGATION
 SERIES 1990
 DATED OCTOBER 15, 1990

NOTICE IS HEREBY GIVEN that the certificates of obligation of the above series maturing on and after August 15, 2002 and aggregating in principal amount \$775,000 have been called for redemption on August 15, 2000 at the redemption price of par and accrued interest to the date of redemption, such certificates being identified as follows

<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>
2002	\$175,000
2003	175,000
2004	200,000
2005	225,000

ALL SUCH CERTIFICATES shall become due and payable on August 15, 2000, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates shall be paid to the registered owners of the certificates only upon presentation and surrender of such obligations to The Bank of New York Information Services, 1301 Fannin Street, Suite 2215, Houston, Texas 77001 The Bank of New York is successor paying agent/registrar to First City, Texas-Austin, N A)

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said certificates and pursuant to an order by the Commissioners Court of Polk County, Texas

THE BANK OF NEW YORK,
 New York, New York,
 as Paying Agent/Registrar

Address 10161 Centurion Parkway
 2nd Floor
 Jacksonville, FL 32256

EXHIBIT C

NOTICE OF REDEMPTION

POLK COUNTY, TEXAS, TAX AND SOLID WASTE
DISPOSAL SYSTEM SURPLUS REVENUE CERTIFICATES OF OBLIGATION
SERIES 1991
DATED OCTOBER 15, 1991

NOTICE IS HEREBY GIVEN that the certificates of obligation of the above series maturing on and after August 15, 2004 and aggregating in principal amount \$750,000 have been called for redemption on August 15, 2001 at the redemption price of par and accrued interest to the date of redemption, such certificates being identified as follows

<u>Year of Maturity</u>	<u>Principal Amount Outstanding</u>
2004	\$225,000
2005	250,000
2006	275,000

ALL SUCH CERTIFICATES shall become due and payable on August 15, 2001, and interest thereon shall cease to accrue from and after said redemption date and payment of the redemption price of said certificates shall be paid to the registered owners of the certificates only upon presentation and surrender of such obligations to The Bank of New York Information Services, 1301 Fannin Street, Suite 2215, Houston, Texas 77001 The Bank of New York is successor paying agent/registrar to First City, Texas-Austin, N A)

THIS NOTICE is issued and given pursuant to the terms and conditions prescribed for the redemption of said certificates and pursuant to an order by the Commissioners Court of Polk County, Texas

THE BANK OF NEW YORK,
New York, New York,
as Paying Agent/Registrar

Address 10161 Centurion Parkway
2nd Floor
Jacksonville, FL 32256

GENERAL CERTIFICATE

THE STATE OF TEXAS §
 §
 COUNTY OF POLK §

We, the undersigned, County Treasurer and County Clerk, respectively, of Polk County, Texas (the "County"), DO HEREBY CERTIFY as follows

1 The total amount of indebtedness of the County payable from taxes levied under and pursuant to Article VIII, Section 9 of the Texas Constitution, including the proposed "Polk County, Texas, Permanent Improvement Refunding Bonds, Series 1998", dated January 15, 1998 (the "Bonds"), is as follows

OUTSTANDING INDEBTEDNESS -----	\$4,195,000*
SERIES 1998 BONDS -----	<u>2,070,000</u>
TOTAL -----	\$6,265,000

*excludes the obligations being refunded by the Bonds

2 A debt service requirement schedule for the Bonds is attached hereto as Exhibit A and made a part of this certificate for all purposes

3 Certain duly qualified and acting officials of the County are as follows

JOHN P THOMPSON	COUNTY JUDGE
KAREN REMMERT	COUNTY AUDITOR
NOLA RENEAU	COUNTY TREASURER
BARBARA MIDDLETON	COUNTY CLERK

4 The assessed value of all taxable property (net of exemptions) in the County, as shown by the tax rolls for the year 1997, and which have been duly approved and are the latest official assessment of taxable property in the County is as follows

TOTAL ASSESSED TAXABLE VALUES OF REAL AND PERSONAL PROPERTY -----	\$1,470,298,692
--	-----------------

5 None of the obligations being refunded by the Bonds, have ever been held in or purchased for the account of the special Funds created and maintained for the payment and security of such obligations being refunded and, none of the obligations being refunded by the Bonds are currently owned nor have any of the same

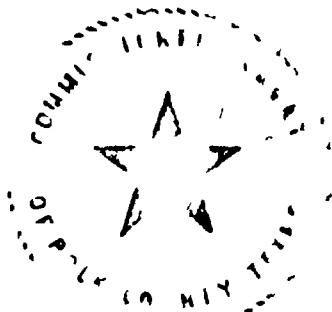
6 Arrangements have been made, or are being made, for the Bonds to be registered on the books and records of the County as valid and binding obligations of the County following the issuance and delivery of such Bonds to the initial purchasers

7 The redemption price for the obligations being refunded by the Bonds will be paid in part from the proceeds of sale of such bonds and the balance is to be paid with interest and sinking fund moneys collected for the payment thereof and other funds on hand and legally available therefor

8 The County has sufficient current funds available to pay the amounts to become due on the Bonds on August 15, 1998 and there will be deposited in the Special 1998 Refunding Bond Account (created for the payment of the Bonds) such amount of current funds which, together with the accrued interest received from the purchasers thereof, will be sufficient to pay the amounts due on the Bonds on August 15, 1998

WITNESS OUR HANDS AND THE SEAL OF THE COMMISSIONERS' COURT OF POLK COUNTY, TEXAS, this the 13th day of January, 1998

POLK COUNTY, TEXAS



(Commissioners Court Seal)

Nola R. ...
County Treasurer

Dulciana Middleton
County Clerk

Polk County, Texas
General Obligation Bonds Outstanding

EXHIBIT A

Fiscal Year Ended 31 Aug	Existing General Obligation Bonds			Less Bonds Refunded		Plus Permanent Improvement Refunding Bonds			Grand Total General Obligation Debt
	Principal	Interest	Total	Principal	Coupon	Interest	Total	Savings	
1998	\$ 515,000	\$ 375,425	\$ 890,425	\$ 42,925		\$ 42,720	\$ 42,720	\$ 205	\$ 890,220
1999	560,000	341,613	901,613	228,450	3.75%	81,602	211,602	16,848	884,765
2000	590,000	304,415	894,415	220,925	3.80%	76,790	201,790	19,135	875,280
2001	625,000	264,890	889,890	213,275	3.90%	71,978	196,978	16,297	873,593
2002	680,000	225,570	905,570	380,525	3.95%	63,615	363,615	16,910	888,660
2003	720,000	183,550	903,550	264,375	4.00%	53,890	243,890	20,485	883,065
2004	755,000	140,275	895,275	502,125	4.10%	40,967	485,967	16,158	879,117
2005	650,000	99,200	749,200	523,500	4.20%	10,660	506,660	16,840	732,360
2006	450,000	57,750	507,750	291,500	4.25%	5,738	275,738	15,762	491,988
2007	175,000	31,625	206,625						206,625
2008	200,000	22,000	222,000						222,000
2009	200,000	11,000	211,000						211,000
	<u>\$ 6,120,000</u>	<u>\$ 2,057,313</u>	<u>\$ 8,177,313</u>	<u>\$ 2,667,600</u>		<u>\$ 447,960</u>	<u>\$ 2,528,960</u>	<u>\$ 138,640</u>	<u>\$ 8,038,673</u>

VOL

January 13, 1998

Fulbright & Jaworski L L P
Attorneys at Law
2200 Ross Avenue, Suite 2800
Dallas, Texas 75201

RE \$1,235,000 "Polk County, Texas, Permanent Improvement
Refunding Bonds, Series 1998", dated January 15, 1998

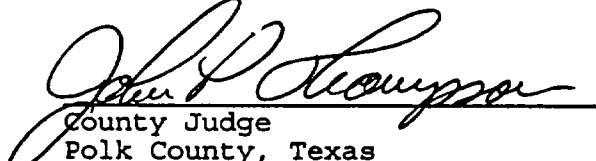
Gentlemen

In regard to the issuance and delivery of the captioned series of bonds, you are authorized to date and deliver each of the following documents to the purchasers thereof, to wit

- (1) Signature and No-Litigation Certificate,
- (2) Certificate as to Tax Exemption, and
- (3) Closing Certificate,

all in conformity with the terms of the Purchase Contract, dated January 13, 1998

Should any events or circumstances develop or occur prior to the delivery of such documents to the purchasers which would cause any of the representations, warranties and statements appearing in any of such instruments to be incorrect, misleading or inaccurate, the County will notify you immediately of the same. You may thus be assured that, unless advised to the contrary, the representations, warranties and agreements appearing in such documents are true, accurate and complete in all respects at the time of the delivery of the above referenced series of obligations


County Judge
Polk County, Texas

January 13, 1998

Ms Melissa Mora
Economic Analysis Center
Comptroller's Department
P O Box 13528, Capitol Station
Austin, Texas 78711

Re "Polk County, Texas, Permanent Improvement Refunding Bonds,
Series 1998", dated January 15, 1998

Dear Ms Mora

The Initial Bond of the above described series is to be delivered to your office for registration when the same has been approved by the Office of the Attorney General

After the same has been registered by your office, please forward the same by overnight delivery, together with four (4) copies of the Attorney General opinion with the Comptroller's accompanying registration certificate, to the County's Bond Counsel, Fulbright & Jaworski L L P , 2200 Ross Avenue, Suite 2800, Dallas, Texas, 75201, Attention Mr Ed H Esquivel

Please note delivery of the Bonds is scheduled to occur on February 12, 1998. Should circumstances develop that would prevent your office from forwarding the Initial Bond in accordance with the above instructions and ensure that the Initial Bond will be in Dallas by February 10, 1998, please contact Bond Counsel for a change in the above instructions regarding the shipment of such Bond following their registration by your office

Very truly yours,


County Judge, Polk County, Texas

January 13, 1998

Attorney General of Texas
P O Box 12548
Capitol Station
Austin, Texas 78711

Attention Public Finance Division

RE "Polk County, Texas, Permanent Improvement Refunding Bonds,
Series 1998", dated January 15, 1998

Ladies and Gentlemen

Enclosed herewith is the Initial Bond of the above series and a Signature and No-Litigation Certificate relating thereto, executed and completed except as to date

When the record of proceedings relating to the issuance of the above referenced series and the Initial Bond have been approved by your office, this will be your authority to date the Signature and No-Litigation Certificate and deliver such Initial Bond to the Comptroller of Public Accounts for registration. It is also requested that four (4) copies of your approving opinion be enclosed with the Initial Bond sent to the Comptroller

Should there be a change in circumstances which would alter or modify the certifications or recitals contained in such Certificate, particularly the absence of litigation or a change in the office of County Judge or County Clerk, the undersigned or other official of the County will notify you at once by telephone or other means. You may thus be assured that the certifications and statements appearing in the Signature and No-Litigation Certificate are accurate and complete at the time the Bonds are finally approved unless notice to the contrary has been given in the manner aforementioned

Very truly yours,


County Judge, Polk County, Texas



**ORDER
OF THE POLK COUNTY COMMISSIONERS COURT
Designating "Surplus Property" for disposal**

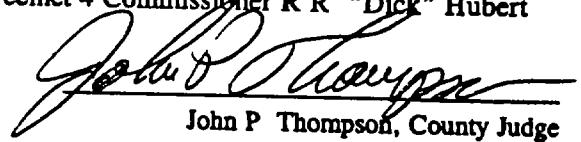
WHEREAS, the Polk County Commissioners Court properly advertised for competitive bids for the sale of certain Road & Bridge, Pct 4 surplus equipment, and,

WHEREAS, no bids were received for said sale, and

WHEREAS, in a regularly called meeting of the Polk County Commissioners Court on January 13, 1998, the following item was determined to be "Surplus property", as defined by Local Government Code, Chapter 263 Subchapter D, Section 263 151,

Road & Bridge, Pct 4
One(1)1981 Mack DumpTruck with 14yd bed - S/N IMZN178XOBA072251

THEREFORE, the aforementioned item is hereby designated as Surplus Property of the County and shall be disposed of by sale negotiated by Precinct 4 Commissioner R R "Dick" Hubert

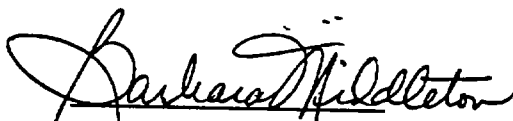

John P. Thompson, County Judge

CERTIFICATE OF THE COUNTY CLERK

The undersigned, being the County Clerk of Polk County, Texas, does hereby certify that this ORDER was duly adopted by the Commissioners Court for Polk County, effective as of January 13, 1998

IN WITNESS WHEREOF, I have affixed my signature and the official seal of the Polk County Commissioners Court to this certification

(Seal)



Barbara Middleton, County Clerk
Polk County, Texas



ORDER
OF THE POLK COUNTY COMMISSIONERS COURT
Designating "Surplus Property" for disposal

WHEREAS, in a regularly called meeting of the Polk County Commissioners Court on January 13, 1998, the following item was determined to be "Surplus property", as defined by Local Government Code, Chapter 263 Subchapter D, Section 263 151,

Road & Bridge, Pct 3 One (1) 1975 Warner Swasey Gradall - Model 928-659 S/N 123354

THEREFORE, the aforementioned item is hereby designated as Surplus Property of the County and shall be offered for sale by competitive bidding

John P. Thompson, County Judge

CERTIFICATE OF THE COUNTY CLERK

The undersigned, being the County Clerk of Polk County, Texas, does hereby certify that this **ORDER** was duly adopted by the Commissioners Court for Polk County, effective as of January 13, 1998

IN WITNESS WHEREOF, I have affixed my signature and the official seal of the Polk County Commissioners Court to this certification.

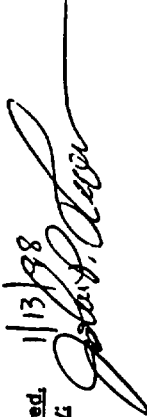
(Seal)

Barbara Middleton, County Clerk
Polk County, Texas

POLK COUNTY - BUDGET AMENDMENT
 REQUEST #98-04
 REQUESTED 1/13/98
 REQUESTED BY Karen Remmert, County Auditor

Amended
 1/13/98

			Increase	Decrease	Comments
032 598-377	Landfill Law Enforcement	Material/Supplies	1 375 00		Request per Jay Barbee and James Richardson consists of excess revenues received
015-623-105	Road&Bridge Pct#3 - Salaries		26 849 32		
015-623-201	Social Security		2 053 97		
015-623-202	Group Insurance		4 370 24		
015-623-203	Retirement		1610 96		
015-623-204	Workers Compensation		2003 72		
015-623-206	Unemployment Insurance		170 81		
015-623-337	Matenal/Supplies			7 059 02	
015-623-339	Construction Materials			10 000 00	
015-623-456	Parts & Repairs			10 000 00	
015-623-461	Equipment Rental			2 000 00	
015-623-108	Salanes Par/Time			8 000 00	
010-457-108	JP Pct#3 - Salanes	Par/Time	3 500 00		
010-457 105	Salanes	Full Time		3 500 00	
015-625-204	Right-of Way	Pct #4	250 00		
015-271-000	Fund Balance			250 00	
			42,184 02	40 809 02	Difference \$1 375 00 consists of excess revenues for landfill law enforcement officer

Date Approved: 1/13/98
 Approved By: 

CHECK # 128746

BANK ALCT MAIN 12/23/97 \$100 747 02
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***100 747 02

FIRST STATE BANK
TIME WARRANTS

Gov. P. Thompson

CHECK # 128746

061-827-409	DEBT SERVICE FUND	PRINCI	29 864 00
061 867 409	DEBT SERVICE FUND	INTERE	1 491 15
061 828 015	DEBT SERVICE FUND	PRINCI	27 532 60
061 868 015	DEBT SERVICE FUND	INTERE	5 947 05
061 828 015	DEBT SERVICE FUND	PRINCI	22 540 00
061 868 015	DEBT SERVICE FUND	INTERE	4 868 64
061 828 015	DEBT SERVICE FUND	PRINCI	1 934 10
061 868 015	DEBT SERVICE FUND	INTERE	417 77
061 828 015	DEBT SERVICE FUND	PRINCI	2 064 93
061 868 015	DEBT SERVICE FUND	INTERE	446 03
061 828 015	DEBT SERVICE FUND	PRINCI	1 210 43
061 868 015	DEBT SERVICE FUND	INTERE	261 46
061 828 015	DEBT SERVICE FUND	PRINCI	1 783 60
061 868 015	DEBT SERVICE FUND	INTERE	385 26

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CHECK # 127858

BANK ACCT MAIN 12/23/97 520 00
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 *****20 00

JERRY LYN HICKMAN
 305 E LAKE DRIVE TX 77351
 LIVINGSTON

John P. Davis

CHECK # 127858

010 426 485 GENERAL FUND 10/27/ 20 00
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CHECK # 128019

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 BANK ACCT MAIN 12/23/97
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 *****61 80

JOYCE JONES

RT 1 BOX 75
MOSCOW TX 75960

John P. Oliver

CHECK # 128019

*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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 010-403-484 GENERAL FUND 11/4/9 61 80

FY 98

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	83 913 23
015 ROAD & BRIDGE ADM	27 112 97
028 POLK COUNTY HISTORICAL COMM	8 253 11
032 ENVIRONMENTAL SERVICES	8 544 05
048 DISTRICT ATT' SPECIAL FUND	2 629 14
051 AGING DEPT	6 156 25
061 DEBT SERVICE FUND	31 421 43
101 ADULT SUPERVISION	15 286 58
104 DTP - CSR	749 54
108 CCP - SUPERVISANCE	1 490 49
109 SPECIALIZED CASELOAD CCP	818 63
184 JUVENILE PROBATION	2 115 29
185 CCAP - JUVENILE PROBATION	5 843 45
TOTAL OF ALL FUNDS	186 334 16

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE 12/23/97

APPROVED BY Karen J. Parnass
County Auditor
John D. O'Keefe

8108
FY

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	14 121 81
015 ROAD & BRIDGE ADM	714 25
032 ENVIRONMENTAL SERVICES	592 48
051 AGING DEPT	425 19
061 DEBT SERVICE FUND	4 847 94
088 JUDICIARY FUND	123 60
TOTAL OF ALL FUNDS	20 825 24

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE 12-29-97 APPROVED BY Spice Leggett
County Auditor
Don't. The

FY98

SCHEDULE OF BILLS BY FUND

FUND	DESCRIPTION	DISBURSEMENTS
010	GENERAL FUND	77 193 08
015	ROAD & BRIDGE ADM	39 417 56
032	ENVIRONMENTAL SERVICES	5 636 82
048	DISTRICT ATTY SPECIAL FUND	434 84
101	ADULT SUPERVISION	11 502 91
104	DTP - CSR	467 34
108	CCP - SURVEILLANCE	1 384 60
109	SPECIALIZED CASELOAD CCP	555 06
184	JUVENILE PROBATION	1 324 31
185	CCAP - JUVENILE PROBATION	3 534 60
TOTAL OF ALL FUNDS		141 451 12

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE 12/31/97

APPROVED BY *[Signature]*

OFFICE COPY

[Signature]

FY 98

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	12 927 54
015 ROAD & BRIDGE ADM	605 30
027 SECURITY FUND	60 00
032 ENVIRONMENTAL SERVICES	489 16
034 FEMA DISASTER FUNDS	57 40
049 DISTRICT ATTY HOT CHECK FUND	14 95
051 AGING DEPT	1 121 01
061 DEBT SERVICE FUND	69 391 87
088 JUDICIARY FUND	115 60
TOTAL OF ALL FUNDS	84 782 83

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE Jan 6, 1998 APPROVED BY [Signature]
[Signature]
[Signature]

FY98

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	1 456 00
015 ROAD & BRIDGE ADM	50 00
032 ENVIRONMENTAL SERVICES	5 500 00
TOTAL OF ALL FUNDS	6 706 00

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE Jan 4, 1998 APPROVED BY Barry L. Bennett
County Auditor
Gov't. Sec'y

FY 97

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	1 233 16
011 HOTEL OCCUPANCY TAX FUND	8 366 04
051 AGING DEPT	38 52
TOTAL OF ALL FUNDS	9 637 74

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE Jan 8, 1998 APPROVED BY James P. Bennett
County Auditor
Govt. - OWS

FY98

SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
010 GENERAL FUND	87 606 72
015 ROAD & BRIDGE ADM	38 058 53
032 ENVIRONMENTAL SERVICES	7 919 82
040 LAW LIBRARY FUND	1 254 85
051 AGING DEPT	10 199 46
071 1991 TAX REV/ENV SEP CC ISSUE	2 402 11
093 CO CLERK RECORDS MGMT FUND	3 576 94
TOTAL OF ALL FUNDS	153 048 40

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE 1-8-97 APPROVED BY [Signature]
County Auditor
Govt. One year

CHECK # 128670

BANK ACCT MAIN 01.08/98 545 68
*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***
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*****45 68

TEXAS PARKS & WILDLIFE
AUSTIN TX

Joint. Ode pa

CHECK # 128670

088-207-850 JUDICIARY FUND 036018 45 68
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ADDITIONAL

ADDITIONAL

CHECK # 124595

BANK ACCT MAIN 01/08/98 \$40 00
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*** VOID *** VOID *** VOID *** VOID *** VOID *** VOID *** VOID ***

*****40 00

MONTGOMERY COUNTY PCT 2
BILLY RAY COLSON
301 SOUTH MAIN TX 77301-2858
CONROE

Gov't. Ok'zation

CHECK # 124595

010-340-801 GENERAL FUNO 500248 40 00
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SCHEDULE OF BILLS BY FUND

FUND DESCRIPTION	DISBURSEMENTS
012 ELECTED OFFICIALS FEE ACCOUNTS	28 606 59
028 POLK COUNTY HISTORICAL COMM	1 481 23
085 ON-SITE SEWER FACILITIES715641	48 720 00
TOTAL OF ALL FUNDS	78 807 82

THE PRECEDING LIST OF BILLS PAYABLE WAS REVIEWED AND APPROVED FOR PAYMENT

DATE Jan 12, 1998 APPROVED BY James P. Segment
County Auditor
Grant, Ohio

ADDITIONAL

DATE DECEMBER 23, 1997 THROUGH JANUARY 13 1998

NO	EMPLOYEE NAME	DEPT	JOB CLASSIFICATION	TYPE OF EMPLOYEE	SALARY GROUP	ACTION TAKEN
(1)	CAROL RILEY	J.P. #3	#105 DEPUTY CLERK	REGULAR FULL TIME	101 \$15,724.33	RECLASSIFY TO #106 COURT CLERK 11/4 \$17,785.06 EFFECTIVE 12-24-97 1/7/98 NEW-HIRE
(2)	MARGARET CELESTINE	COUNTY CLERK	#101 RECEPTIONIST	REGULAR PART TIME	8(1) \$6.85	EFFECTIVE 01-05-98 NEW-HIRE
(3)	MARTIE THAYER	SHERIFF DEPARTMENT	#1043 TELECOMMUNICATION OPER.	REGULAR FULL TIME	11/1 \$16,530.70	EFFECTIVE 01-06-98 NEW-HIRE
(4)	BETTY L FORTUNE	J.P. #3	#105 DEPUTY CLERK	REGULAR FULL TIME	10(1) \$7.56	NEW-HIRE EFFECTIVE 01-05-98
(5)	SANDRA DUNBAR	SHERIFF DEPARTMENT	#1043 TELECOMMUNICATION OPER.	REGULAR FULL TIME	11/1 \$16,530.70	RECLASSIFY TO LABOR POOL 11/1 \$7.95 EFFECTIVE 01-07-98
(6)	MEREDITH J SLATER	SHERIFF DEPARTMENT	#1043 TELECOMMUNICATION OPER.	REGULAR PART TIME	11(1) \$7.95	NEW-HIRE EFFECTIVE 01-08-97
(7)	GENE E. -GLENN	JAIL	#1055 CORRECTIONS OFFICER	REGULAR FULL TIME	12/1 \$17,359.48	NEW-HIRE EFFECTIVE 01-09-98 <i>Delete</i>
(8)	WILLIAM B SMITH	ROAD & BRIDGE PCT. #3	#108 HEAVY EQUIPMENT OPER.	TEMPORARY REGULAR FULL TIME	14(1) \$9.21	NEW-HIRE EFFECTIVE 01-08-98
(9)	EMMETT A. ALLEY	WASTE MGT	#108 HEAVY EQUIPMENT OPER.	REGULAR FULL TIME	14/3 \$20,114.59	RESIGNED EFFECTIVE 01-06-98
(10)	TAMMY RICHARDSON	J.P. #1	#106 COURT CLERK	REGULAR FULL TIME	11/2 \$16,933.89	GOING ON FMLA EFFECTIVE 01/20/98
(11)	CHRISTOPHER J. SONNER	JAIL	#1055 CORRECTIONS OFFICER	REGULAR FULL TIME	12/1 \$17,359.48	RESIGNED EFFECTIVE 12/29/98
(12)	CONNIE R. FLOWERS	SHERIFF DEPARTMENT	#1043 TELECOMMUNICATION OPER.	REGULAR FULL TIME	11/1 \$16,530.70	NEW-HIRE EFFECTIVE 01/09/98
(13)	RICHARD NUTT	JAIL	#1053 CORRECTIONS /SUPER	REGULAR FULL TIME	15/2 \$20,607.38	TO CHANGE FUND # ONLY EFFECTIVE 01-07-98
(14)	FRANK S. SHIPLEY	JAIL	#1053 CORRECTIONS OFFICER	TEMPORARY FULL TIME	12/1 \$17,359.48	NEW-HIRE EFFECTIVE 01/12/98
(15)	CAROL HAMMOND	AUDITORS	#101 SECRETARY	REGULAR PART TIME	9(1) \$7.19	RESIGNED EFFECTIVE 12-18-97
(16)						
(17)						
(18)						

