

Item #8

AN ORDER AUTHORIZING THE ISSUANCE OF \$19,000,000 "POLK COUNTY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 2007"

WHEREAS, the Commissioners Court of Polk County, Texas (the "Court") has determined that certificates of obligation should be issued in accordance with the provisions of the Certificate of Obligation Act of 1971, as amended, Texas Local Government Code, §§ 271.041, et seq.; and the Texas Public Security Procedures Act, Chapter 1201, Texas Government Code, for the purpose of paying contractual obligations to be incurred for (1) construction and equipping of a new County Law Enforcement Center (County Jail), including the acquisition of a site therefor in the City of Livingston, (2) the construction of improvements, renovation and equipping of the existing County Law Enforcement Center and (3) the payment of professional services and costs of issuance related thereto; and

WHEREAS, notice of intention to issue said certificates of obligation has been published in the *Polk County Enterprise* on March 8, 2007 and March 15, 2007, such newspaper being a newspaper of general circulation in Polk County, Texas, and the date of the first publication of such notice being before the fourteenth (14th) day prior to the tentative date stated therein for the passage of this order; and

WHEREAS, on the 27th day of March, 2007, the Commissioners Court of Polk County, Texas, convened at 10:00 a.m. and, pursuant to the published notice of intention, considered passage of an order authorizing the issuance of said certificates of obligation (the "Order"); and

WHEREAS, the certificates of obligation should be sold for cash in accordance with the provisions of Texas Local Government Code §§ 271.046, as amended; and

WHEREAS, no petition protesting the issuance of the certificates of obligation described in the aforesaid notice, signed by at least 5% of the qualified voters of the County, has been presented to or filed with the County Clerk or any other County official on or prior to the date of the passage of this Order; and

WHEREAS, this Court hereby finds and determines that all of the \$19,000,000 certificates of obligation described in said notice should be issued at this time.

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

ARTICLE IDEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Order, the following terms shall have the meanings specified below:

"Certificate" or "Certificates" means the Certificates authorized to be issued by Section 3.01 of this Order and designated as "Polk County, Texas Certificates of Obligation, Series 2007," in the aggregate principal amount of \$19,000,000.

"Closing Date" means the date of the initial delivery of and payment for the Certificates.

"Code" means the Internal Revenue Code of 1986, as amended, including the regulations and published rulings thereunder.

"Construction Fund" means the construction fund established by Section 2.04 of this Order.

"Court" means the Commissioners Court of the County.

"County" means Polk County, Texas.

"Defeasance Securities" means (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent.

"Designated Payment/Transfer Office" means the office of the Paying Agent which is designated for the presentment of the Certificates.

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

"DTC Participant" means any broker, dealer, bank, trust company, clearing corporation or certain other organizations with bonds credited to an account maintained on its behalf by DTC.

"Event of Default" means any event of default as defined in Section 10.01 of this Order.

"Fiscal Year" means such fiscal year as shall from time to time be set by the Court.

"Initial Certificate" means the initial certificate described in Sections 3.04(d) and 6.02(e) of this Order.

"Interest and Sinking Fund" means the interest and sinking fund established by Section 2.03 of this Order.

"Interest Payment Date" means the date or dates upon which interest on each Certificate is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being February 15 and August 15 of each year, commencing August 15, 2007.

"Owner" means the person who is the registered owner of a Certificate or Certificates, as shown in the Register.

"Paying Agent/Registrar" means initially Wells Fargo Bank, National Association, or any successor thereto as provided in this Order.

"Record Date" means the close of business on the last business day of the month preceding the month in which an Interest Payment Date occurs.

"Register" means the register specified in Section 3.06(a) of this Order.

"Unclaimed Payments" means money deposited with the Paying Agent/Registrar for the payment of the principal of or interest on the Certificates as the same comes due and payable and remaining unclaimed by the Owners of Certificates for 90 days after the applicable payment or redemption date.

"Underwriters" mean First Southwest Company, Southwest Securities, Inc. and Morgan Keegan & Company, Inc.

Section 1.02. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Order are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.03. Titles and Headings. The titles and headings of the Articles and Sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Order or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

(a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II

SECURITY FOR THE CERTIFICATES
CREATION OF FUNDS

Section 2.01. Tax Levy for Payment of Certificates. Pursuant to the authority granted by the Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon is outstanding and unpaid, an ad valorem tax within legal limitations on each \$100 valuation of taxable property in the County, at a rate sufficient within the limits prescribed by law to pay the debt service requirements on the Certificates, being (i) the interest on the Certificates and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent (2%) per annum (whichever amount is the greater), when due and payable, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the debt service requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the Interest and Sinking Fund. This governing body hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the debt service requirements, it having been determined that the existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations.

The amount of taxes to be provided annually for the payment of principal of and interest on the Certificates shall be determined and accomplished in the following manner:

(a) The County's annual budget shall reflect the amount of debt service requirements to become due on the Certificates in the next succeeding Fiscal Year of the County.

(b) The amount required to be provided in the succeeding Fiscal Year of the County from ad valorem taxes shall be the amount of the debt service requirements to be paid on the Certificates in the next succeeding Fiscal Year of the County.

(c) Following the final approval of the annual budget of the County, the governing body of the County shall, by Order, levy an ad valorem tax at a rate sufficient to produce taxes in the amount determined in paragraph (b) above, to be utilized for purposes of paying the principal of and interest on the Certificates in the next succeeding Fiscal Year of the County.

If the liens and provisions of this Order shall be released in a manner permitted by Article XI hereof, then the collection of such ad valorem tax may be suspended or appropriately reduced, as the facts may permit, and further deposits to the Interest and Sinking Fund may be suspended or appropriately reduced, as the facts may permit. In determining the aggregate principal amount of outstanding Certificates, there shall be subtracted the amount of any Certificates that have been duly called for redemption and for which money has been deposited with the Paying Agent/Registrar for such redemption.

Section 2.02. Effect of Pledge.

Chapter 1208, Texas Government Code, applies to the issuance of the Certificates and the pledge of the of taxes granted by the County under Section 2.01 of this Order, and such pledge is therefore valid, effective, and perfected. If Texas law is amended at any time while the Certificates are outstanding and unpaid such that the pledge of the taxes granted by the County under Section 2.01 of this Order is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Certificates the perfection of the security interest in said pledge, the County agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 2.03. Interest and Sinking Fund.

(a) The County hereby establishes a special fund or account to be designated the "Polk County, Texas Certificates of Obligation, Series 2007 Interest and Sinking Fund" (the "Interest and Sinking Fund") said fund to be maintained at an official depository bank of the County separate and apart from all other funds and accounts of the County.

(b) Money on deposit in or required by this Order to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on, redemption premium, if any, and principal of the Certificates when and as due and payable in accordance with their terms and this Order.

Section 2.04. Construction Fund.

(a) Establishment of Construction Fund. A special fund or account, to be designated the "Polk County, Texas Certificates of Obligation, Series 2007 Construction Fund" (the "Construction Fund") is hereby created and shall be established and maintained by the County at the official County depository. The Construction Fund shall be kept

separate and apart from all other funds and accounts of the County. The proceeds from the sale of the Certificates shall be deposited in the Construction Fund and payments therefrom shall be made as provided below.

(b) Payments from Construction Fund. Payments from the Construction Fund shall be made as follows:

(A) There shall be immediately deposited to the Interest and Sinking Fund the accrued interest on the Certificates to the date of delivery from the sale of the Certificates, if any.

(B) The remainder in the Construction Fund shall be used solely for the purpose of paying contractual obligations to be incurred for (1) construction and equipping of a new County Law Enforcement Center (County Jail), including the acquisition of a site therefor in the City of Livingston, (2) the construction of improvements, renovation and equipping of the existing County Law Enforcement Center and (3) the payment of professional services and costs of issuance related thereto.

(c) Surplus Construction Funds. Any moneys remaining in the Construction Fund after completion of the entirety of the contractual obligations authorized hereby shall be deposited into the Interest and Sinking Fund.

Section 2.05. Security of Funds. All moneys on deposit in the Interest and Sinking Fund and the Construction Fund for which this Order makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of County funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Order.

ARTICLE III

AUTHORIZATION: GENERAL TERMS AND PROVISIONS REGARDING THE CERTIFICATES

Section 3.01. Authorization. The County's certificates to be designated "Polk County, Texas Certificates of Obligation, Series 2007" are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas. The Certificates shall be issued in the aggregate principal amount of \$19,000,000 for the purpose of paying contractual obligations to be incurred for (1) construction and equipping of a new County Law Enforcement Center (County Jail), including the acquisition of a site therefor in the City of Livingston, (2) the construction of improvements, renovation and equipping of the existing County Law Enforcement Center and (3) the payment of professional services and costs of issuance related thereto.

Section 3.02. Date, Denomination, Maturities and Interest.

(a) The Certificates shall bear interest on the unpaid principal amount thereof from April 15, 2007 (which date shall be the Issue Date noted on the Certificates). The Certificates shall be in fully registered form, without coupons, in the denomination of \$5,000 or any integral multiple thereof and shall be numbered separately from R-1 upward, except the Initial Certificate, which shall be numbered T-1.

(b) The Certificates shall mature on August 15 in the years and in the principal amounts set forth in the following schedule:

<u>Year of Maturity</u>	<u>Principal Installments</u>	<u>Interest Rate</u>	<u>Year of Maturity</u>	<u>Principal Installments</u>	<u>Interest Rate</u>
2009	\$ 200,000	4.000%	2018	\$ 1,095,000	4.000%
2010	250,000	4.000%	2019	1,135,000	4.125%
2011	300,000	4.000%	2020	1,185,000	4.200%
2012	400,000	4.000%	2021	1,235,000	4.250%
2013	600,000	3.625%	2022	1,285,000	4.300%
2014	950,000	3.700%	2023	1,340,000	4.350%
2015	975,000	3.750%	2024	1,400,000	4.400%
2016	1,015,000	3.800%	2025	1,460,000	4.400%
2017	1,055,000	3.850%	2026	1,525,000	4.400%
			2027	1,595,000	4.400%

(c) Interest shall accrue and be paid on each Certificate respectively until its redemption or prior maturity from the later of the Issue Date or the most recent Interest Payment Date to which interest has been paid or provided for at the rates per annum for each respective maturity specified in the schedule contained in subsection (b) above. Such interest shall be payable semiannually on February 15 and August 15 of each year, commencing on August 15, 2007, computed on the basis of a 360-day year of twelve 30-day months.

Section 3.03. Medium, Method and Place of Payment.

(a) The principal of, redemption premium, if any, and interest on the Certificates shall be paid in lawful money of the United States of America.

(b) Interest on the Certificates shall be payable to the Owner whose name appears in the Register at the close of business on the last business day of the month next preceding such Interest Payment Date (the "Record Date"); provided, however, that in the event of nonpayment of interest on a scheduled Interest Payment Date, and for thirty (30) days thereafter, a new record date for such interest payment (the "Special Record Date") will be established by the Paying Agent/Registrar (hereinafter defined and designated) 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 (the "Special Payment Date," which shall be at least 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each Owner of a Certificate appearing on the books of the Paying Agent/Registrar at the close of business on the last business day preceding the date of mailing of such notice.

(c) Interest shall be paid by check, dated as of the Interest Payment Date, and sent by the Paying Agent/Registrar to each Owner, first class United States mail, postage prepaid, to the address of each Owner as it appears in the Register, or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and each Owner to whom interest is to be paid; provided, however, that the Owner shall bear all risk and expenses of such customary banking arrangements.

(d) The principal of each Certificate shall be paid to the Owner thereof on the due date (whether at the maturity date or the date of prior redemption thereof) upon presentation and surrender of such Certificate at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Certificates shall be a Saturday, Sunday, legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are required or authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, a legal holiday, or day on which banking institutions are required or authorized to close, and payment on such date shall for all purposes be deemed to have been made on the due date thereof as specified in this Section.

Section 3.04. Control, Execution and Initial Registration.

(a) The Certificates shall be executed on behalf of the County by the County Judge, the County Clerk and the County Treasurer, by their manual or facsimile signatures, and the official seal of the County shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Certificates shall have the same effect as if each of the Certificates had been signed manually and in person by each of said officers, and such facsimile seal on the Certificates shall have the same effect as if the official seal of the County had been manually impressed upon each of the Certificates.

(b) In the event that any officer of the County whose manual or facsimile signature appears on the Certificates ceases to be such officer before the authentication of such Certificates or before the delivery thereof, such facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Certificate shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until there appears

thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Certificates. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Certificate delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by her duly authorized agent, which certificate shall be evidence that the Certificate has been duly approved by the Attorney General of the State of Texas and that it is a valid and binding obligation of the County, and has been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, the Initial Certificate representing the entire principal amount of all Certificates, payable in stated installment to the Underwriters, or their designees, manually signed by the County Judge, County Clerk and County Treasurer, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Underwriters or their designee. Upon payment for the Initial Certificate, the Paying Agent/Registrar shall cancel the Initial Certificate and deliver registered definitive Certificates in accordance with instructions received from the Underwriters or their designee.

Section 3.05. Ownership.

(a) The County, the Paying Agent/Registrar and any other person may treat the person in whose name any Certificate is registered as the absolute owner of such Certificate for the purpose of making and receiving payment of the principal thereof and redemption premium (subject to the provisions herein that interest is to be paid to the person in whose name the Certificate is registered on the Record Date), if any, thereon, for the further purpose of making and receiving payment of the interest thereon, and for all other purposes, whether or not such Certificate is overdue, and neither the County nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Certificate shall be valid and effectual and shall discharge the liability of the County and the Paying Agent/Registrar upon such Certificate to the extent of the sums paid.

Section 3.06. Registration, Transfer and Exchange.

(a) So long as any Certificates remain outstanding, the County shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Order.

(b) Registration of any Certificate may be transferred in the Register only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar for transfer of registration and cancellation, together with proper written instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of the Certificates, or any portion thereof in any integral multiple of \$5,000, to the assignee or assignees thereof, and the right of such assignee or assignees thereof to have the Certificate or any portion thereof registered in the name of such assignee or assignees. No transfer of any Certificate shall be effective until entered in the Register. Upon assignment and transfer of any Certificate or portion thereof, a new Certificate or Certificates will be issued by the Paying Agent/Registrar in conversion and exchange for such transferred and assigned Certificate. To the extent possible, the Paying Agent/Registrar will issue such new Certificate or Certificates in not more than three (3) business days after receipt of the Certificate to be transferred in proper form and with proper instructions directing such transfer.

(c) Any Certificate may be converted and exchanged only upon the presentation and surrender thereof at the Designated Payment/Transfer Office of the Paying Agent/Registrar, together with a written request therefor duly executed by the Owner or assignee or assignees thereof, or its or their duly authorized attorneys or representatives, with guarantees of signatures satisfactory to the Paying Agent/Registrar, for a Certificate or Certificates of the same maturity and interest rate and in any authorized denomination and in an aggregate principal or maturity amount equal to the unpaid principal or maturity amount of the Certificate presented for exchange. If a portion of any Certificate is redeemed prior to its scheduled maturity as provided herein, a substitute Certificate or Certificates having the same maturity date, bearing interest at the same rate, in the denomination or denominations of any integral multiple of \$5,000 at the request of the Owner, and in an aggregate principal amount equal to the unredeemed portion thereof, will be issued to the Owner upon surrender thereof for cancellation. To the extent possible, a new Certificate or Certificates will be required to be delivered by the Paying Agent/Registrar to the Owner of the Certificate or Certificates in not more than three (3) business days after receipt of the Certificate to be exchanged in proper form and with proper instructions directing such exchange.

(d) Each Certificate issued in exchange for any Certificate or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall convert and exchange the Certificates as provided herein, and each substitute Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the County and shall be entitled to the benefits and security of this Order to the same extent as the Certificate or Certificates in lieu of which such substitute Certificate is delivered.

(e) The County will pay the Paying Agent/Registrar's reasonable and customary charge for the initial registration or any subsequent transfer, exchange or conversion of

Certificates, but the Paying Agent/Registrar will require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, exchange or conversion of a Certificate. In addition, the County hereby covenants with the Owners of the Certificates that it will (i) pay the reasonable and standard or customary fees and charges of the Paying Agent/Registrar for its services with respect to the payment of the principal of and interest on the Certificates, when due, and (ii) pay the fees and charges of the Paying Agent/Registrar for services with respect to the transfer, registration, conversion and exchange of Certificates as provided herein.

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

Section 3.07. Cancellation.

(a) All Certificates paid or redeemed before scheduled maturity in accordance with this Order, and all Certificates in lieu of which exchange Certificates or replacement Certificates are authenticated and delivered in accordance with this Order, shall be canceled and destroyed upon the making of proper records regarding such payment, redemption, exchange or replacement. The Paying Agent/Registrar shall periodically furnish the County with certificates of destruction of such Certificates.

(b) Each substitute Certificate issued in conversion of and exchange for or replacement of (pursuant to the provisions of Sections 3.06, 3.08 and 3.09 hereof) any Certificate or Certificates issued under this Order shall have printed thereon a Certificate of Paying Agent/Registrar, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate, manually sign and date such Certificate of Paying Agent/Registrar, and no such Certificate shall be deemed to be issued or outstanding unless such Certificate of Paying Agent/Registrar is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the Commissioners Court or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be of customary type and composition and be printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Subchapter D of Chapter 1201, Texas Government Code, the duty of conversion and exchange or replacement of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Certificate of Paying Agent/Registrar, the converted and exchanged or replaced Certificates shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Certificate which was originally delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) Certificates issued in conversion and exchange or replacement of any other Certificate or portion thereof (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Certificates to be payable only to the Owners thereof, (ii) may be transferred and assigned, (iii) may be converted and exchanged for other Certificates, (iv) shall have the characteristics, (v) shall be signed and sealed, and (vi) the principal of and interest on the Certificates shall be payable, all as provided, and in the manner required or indicated, in the Form of Certificates set forth in this Order.

Section 3.08. Temporary Certificates.

(a) Following the delivery and registration of the Initial Certificate and pending the preparation of definitive Certificates, the County may execute and, upon the County's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Certificates that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Certificates in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the County executing such temporary Certificates may determine, as evidenced by their signing of such temporary Certificates.

(b) Until exchanged for Certificates in definitive form, such Certificates in temporary form shall be entitled to the benefit and security of this Order.

(c) The County, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar, and thereupon, upon the presentation and surrender of the Certificate or Certificates in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Certificate or Certificates of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount, as the Certificate or Certificates in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. Replacement Certificates.

(a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Certificate, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding. The County or the Paying Agent/Registrar may require the Owner of such Certificate to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected herewith.

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas

and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction or theft of such Certificate;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar, and acceptable to the County, to save the Paying Agent/Registrar and the County harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the County and Paying Agent/Registrar.

(c) If, after the delivery of such replacement Certificate, a bona fide purchaser of the original Certificate in lieu of which such replacement Certificate was issued presents for payment such original Certificate, the County and the Paying Agent/Registrar shall be entitled to recover such replacement Certificate from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the County or the Paying Agent/Registrar in connection therewith.

(d) In the event that any such mutilated, lost, apparently destroyed or wrongfully taken Certificate has become or is about to become due and payable, the Paying Agent/Registrar, in its discretion, instead of issuing a replacement Certificate, may pay such Certificate.

(e) Each replacement Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the County and shall be entitled to the benefits and security of this Order to the same extent as the Certificate or Certificates in lieu of which such replacement Certificate is delivered.

Section 3.10. Book-Entry-Only System.

(a) The definitive Certificates shall be initially issued in the form of a separate single fully registered Certificate for each of the maturities thereof. Upon initial issuance, the ownership of each such Certificate shall be registered in the name of Cede & Co., as

nominee of DTC, and except as provided in Section 3.11 hereof, all of the outstanding Certificates shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Certificates registered in the name of Cede & Co., as nominee of DTC, the County and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Certificates, except as provided in this Order. Without limiting the immediately preceding sentence, the County and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any DTC Participant with respect to any ownership interest in the Certificates, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Certificates, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Certificates. Notwithstanding any other provision of this Order to the contrary, the County and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Certificate is registered in the Register as the absolute Owner of such Certificate for the purpose of payment of principal of, premium, if any, and interest on the Certificates, for the purpose of giving notices of redemption and other matters with respect to such Certificate, for the purpose of registering transfer with respect to such Certificate, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of, premium, if any, and interest on the Certificates only to or upon the order of the respective Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the County's obligations with respect to payment of, premium, if any, and interest on the Certificates to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Register, shall receive a Certificate evidencing the obligation of the County to make payments of amounts due pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the Registered Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

Section 3.11. Successor Securities Depository; Transfer Outside Book-Entry-Only System. In the event that the County or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter by and between the County, the Paying Agent/Registrar and DTC (the "Representation Letter"), and that it is in the best interest of the Owners of the Certificates that they be able to obtain certificated Certificates, or in the event DTC discontinues the services described herein, the County or the Paying Agent/Registrar shall (i) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended; notify DTC and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Certificates to such successor securities depository; or (ii) notify DTC

and DTC Participants, as identified by DTC, of the availability through DTC of Certificates and transfer one or more separate Certificates to DTC Participants having Certificates credited to their DTC accounts, as identified by DTC. In such event, the Certificates shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Certificates shall designate, in accordance with the provisions of this Order.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Certificates are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Certificates, and all notices with respect to such Certificates, shall be made and given, respectively, in the manner provided in the Representation Letter.

Section 3.13. Additional Obligations. The County reserves the right to issue any additional obligations authorized by law and such obligations may be payable from ad valorem taxes within the limits prescribed by law.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01. Limitation on Redemption. The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

(a) The County reserves the option to redeem Certificates maturing on and after August 15, 2013, in whole or in part, before their respective scheduled maturity dates, on August 15, 2012, or on any date thereafter (such redemption date or dates to be fixed by the County) at a price equal to the principal amount of the Certificates called for redemption plus accrued interest to the date fixed for redemption.

(b) The County, at least forty-five (45) days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and the amounts thereof to be redeemed.

Section 4.03. Partial Redemption.

(a) If less than all of the Certificates are to be redeemed and if less than all of a maturity is to be redeemed, the Paying Agent/Registrar shall determine by lot the Certificates, or portions thereof, within such maturity to be redeemed.

(b) A portion of a single Certificate of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. If such a Certificate is to be partially redeemed, the Paying Agent/Registrar shall treat each \$5,000 portion of the Certificate as though it were a single Certificate for purposes of selection for redemption.

(c) Upon surrender of any Certificate for redemption in part, the Paying Agent/Registrar, in accordance with Section 3.06 of this Order, shall authenticate and deliver an exchange Certificate or Certificates in an aggregate principal amount equal to the unredeemed portion of the Certificate so surrendered, such exchange being without charge, notwithstanding any provision of Section 3.06 to the contrary.

(d) The Paying Agent/Registrar shall promptly notify the County in writing of the principal amount to be redeemed of any Certificate as to which only a portion thereof is to be redeemed.

Section 4.04. Notice of Redemption to Owners.

(a) The Paying Agent/Registrar shall give notice of any redemption of Certificates by sending notice by first class United States mail, postage prepaid, not less than thirty (30) days before the date fixed for redemption, to the Owner of each Certificate (or part thereof) to be redeemed, at the address shown on the Register.

(b) The notice shall state the redemption date, the redemption price, the place at which the Certificates are to be surrendered for payment, and, if less than all the Certificates outstanding are to be redeemed, an identification of the Certificates or portions thereof to be redeemed.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

Section 4.05. Payment Upon Redemption.

(a) Before or on each redemption date, the County shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Certificates to be redeemed on such date by setting aside and holding in trust such amounts received by the Paying Agent/Registrar from the County and shall use such funds solely for the purpose of paying the principal of, redemption premium, if any, and accrued interest on the Certificates being redeemed.

(b) Upon presentation and surrender of any Certificate called for redemption at the Designated Payment/Transfer Office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption

premium, if any, and accrued interest on such Certificates to the date of redemption from the money set aside for such purpose.

Section 4.06. Effect of Redemption.

(a) Notice of redemption having been given as provided in Section 4.04 of this Order, the Certificates or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the County defaults in its obligation to make provision for the payment of the principal thereof, redemption premium, if any, or accrued interest thereon, such Certificates or portions thereof shall cease to bear interest from and after the date fixed for redemption, whether or not such Certificates are presented and surrendered for payment on such date.

(b) If the County shall fail to make provision for payment of all sums due on a redemption date, then any Certificate or portion thereof called for redemption shall continue to bear interest at the rate stated on the Certificate until paid or until due provision is made for the payment of same by the County.

Section 4.07. Lapse of Payment.

(a) Money set aside for the redemption of Certificates and remaining unclaimed by the Owners of such Certificates after the redemption date shall be segregated in a special escrow account and held in trust, uninvested, without interest, for the account of such Owners.

(b) Amounts held by the Paying Agent/Registrar, which represent principal of and interest on the Certificates remaining unclaimed by the Owner after the expiration of three years from the date such amounts have become due and payable, shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The County hereby appoints Wells Fargo Bank, National Association, Houston, Texas, as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the County and the Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such

Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The County or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

(b) The County hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Certificates. The Paying Agent/Registrar shall keep proper records of all payments made by the County and the Paying Agent/Registrar with respect to the Certificates, and of all conversions, exchanges and replacements of such Certificates, as provided in the Order.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be (i) a banking corporation, a banking association or a financial institution organized and doing business under the laws of the United States or of any state thereof, (ii) authorized under such laws to exercise trust powers and (iii) subject to supervision or examination by a federal or state governmental authority.

Section 5.03. Maintaining Paying Agent/Registrar.

(a) At all times while any Certificates are outstanding, the County will maintain a Paying Agent/Registrar that is qualified under Section 5.02 of this Order. The County Judge is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the County and the Paying Agent/Registrar. The signature of the County Judge shall be attested by the County Clerk.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the County will promptly appoint a replacement.

Section 5.04. Termination. The County, upon not less than sixty (60) days notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated written notice of such termination.

Section 5.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the County will cause notice of the change to be sent to each Owner by first class United States mail, postage prepaid, at the address in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 5.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Certificates to the successor Paying Agent/Registrar.

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.01. Form Generally.

(a) The Certificates, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of Paying Agent/Registrar, and the Assignment form to appear on each of the Certificates, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order, and (ii) 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 any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the County or by the officers executing such Certificates, as evidenced by their execution thereof.

(b) Any portion of the text of any Certificates may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Certificates.

(c) The Certificates shall be typed, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

(d) The Initial Certificate submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced.

Section 6.02. Form of the Certificates. The form of the Certificates, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of Paying Agent/Registrar and the form of Assignment appearing on the Certificates, shall be substantially as follows:

(a) Form of Certificate.

REGISTERED
NO. R-_____

REGISTERED PRINCIPAL
AMOUNT \$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
POLK COUNTY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 2007

Issue Date:	Interest Rate:	Stated Maturity:	CUSIP No.:
April 15, 2007	%	_____	_____

Registered Owner:

Principal Amount: DOLLARS

Polk County, Texas (hereinafter referred to as the "County"), 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 (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the later of the Issue Date, or the most recent date to which interest has been paid or duly provided for, 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, 2007. Principal of this Certificate is payable at its Stated Maturity or redemption 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 Certificate whose name appears on the "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 by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the 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 and interest on this Certificate 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 Certificate is one of the series specified in its title issued in the aggregate principal amount of \$19,000,000 (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (1) construction and equipping of a new County Law Enforcement Center (County Jail), including the acquisition of a site therefor in the City of Livingston, (2) the construction of improvements, renovation and equipping of the existing County Law Enforcement Center and (3) the payment of professional services and costs of issuance related thereto, in accordance with the Constitution and

laws of the State of Texas, particularly Chapter 271, Texas Local Government Code, as amended, and pursuant to an order adopted by the Commissioners Court of the County (herein referred to as the "Order").

The Certificates maturing on and after August 15, 2013, may be redeemed prior to their Stated Maturities, at the option of the County, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on August 15, 2012, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption and upon 30 days prior written notice being sent by United States mail, first class postage prepaid, to the Registered Owners of the Certificates to be redeemed, and subject to the terms and provisions relating thereto contained in the Order.

If this Certificate (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Certificate (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and interest thereon shall cease to accrue from and after the redemption date therefor, provided moneys for the payment of the redemption price and the interest on the principal amount to be redeemed to the date of redemption are held for the purpose of such payment by the Paying Agent/Registrar.

In the event of a partial redemption of the principal amount of this Certificate, payment of the redemption price of such principal amount shall be made to the Registered Owner only upon presentation and surrender of this Certificate to the Paying Agent/Registrar at its Designated Payment/Transfer Office, and there shall be issued to the Registered Owner hereof, without charge, a new Certificate or Certificates of like maturity and interest rate in any authorized denominations provided by the Order for the then unredeemed balance of the principal sum hereof. If this Certificate is selected for redemption, in whole or in part, the County and the Paying Agent/Registrar shall not be required to transfer this Certificate to an assignee of the Registered Owner within 45 days of the redemption date therefor; provided, however, such limitation on transferability shall not be applicable to an exchange by the Registered Owner of the unredeemed balance hereof in the event of its redemption in part.

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limits 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 Certificate 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 Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Certificate 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 Certificate, subject to certain limitations contained in the Order, may be transferred on the 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 Register occurs, one or more new fully registered Certificates 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 Register (i) on the Record Date as the Owner entitled to payment of interest hereon, (ii) on the date of surrender of this Certificate as the Owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the Owner for all other purposes, and neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Certificate 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 Owner of a Certificate appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Certificate and the series of which it is a part is duly authorized by law; that all acts, conditions and things to be done precedent to and in the issuance of this Certificate and the series of which it is a part, have been properly done, have happened and have been performed in regular and due time, form and manner as required by law; that proper provisions have been made for the levy and collection annually of taxes upon all taxable property in said County sufficient, within the limits prescribed by law to pay the interest on this Certificate and the series of which it is a part as due and to provide for the payment of the principal as the same matures; and that the total indebtedness of the County, including the Certificates, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the County has caused this Certificate to be executed by the manual or facsimile signature of the County Judge of the County and countersigned by the manual or facsimile signature of the County Clerk, registered by the manual or

facsimile signature of the County Treasurer, and the official seal of the County has been duly impressed or placed in facsimile on this Certificate.

County Judge
Polk County, Texas

County Clerk
Polk County, Texas

[COMMISSIONERS COURT SEAL]

REGISTERED:

County Treasurer
Polk County, Texas

(b) Form of Comptroller's Registration Certificate. The following Comptroller's Registration Certificate may be deleted from the definitive Certificates if such certificate on the Initial Certificate is fully executed.

OFFICE OF THE COMPTROLLER §
OF PUBLIC ACCOUNTS § REGISTER NO. _____
OF THE STATE OF TEXAS §

I hereby certify that there is on file and of record in my office a Certificate of the Attorney General of the State of Texas to the effect that this Certificate has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that this Certificate has this day been registered by me.

Witness my hand and seal of office at Austin, Texas, _____.

[SEAL]

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar. The following Certificate of Paying Agent/Registrar may be deleted from the Initial Certificate if the Comptroller's Registration Certificate appears thereon.

CERTIFICATE OF PAYING AGENT/REGISTRAR

The records of the Paying Agent/Registrar show that the Initial Certificate of this series of Certificates was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas, and that this is one of the Certificates referred to in the within-mentioned Order.

WELLS FARGO BANK, NATIONAL
ASSOCIATION
Houston, Texas
As Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned Registered Owner of this Certificate, or duly authorized representative or attorney thereof, hereby assigns this Certificate to:

_____/_____/_____
(Assignee's Social Security or Taxpayer Identification Number) (print or typewrite Assignee's name and address, including zip code)

and hereby irrevocably constitutes and appoints _____
attorney, to transfer the registration of this Certificate on the Paying Agent/Registrar's Registration Books with full power of substitution in the premises.

Dated: _____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution as defined by SEC Rule 17Ad-15 (17 CFR 240-17Ad-15).

Registered Owner
NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Certificate in every particular, without alteration or enlargement or any change whatsoever.

(e) Form of Initial Certificate. The Initial Certificate shall be in a form set forth in subsection (a) of this Section, except the heading and first paragraph shall be replaced and completed as set forth below:

REGISTERED
No. T-1

\$19,000,000

UNITED STATES OF AMERICA
STATE OF TEXAS
POLK COUNTY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 2007

Issue Date:

CUSIP No.:

April 15, 2007

Registered Owner:

Principal Amount: NINETEEN MILLION DOLLARS

Polk County, Texas (hereinafter referred to as the "County"), 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 August 15 in the years and in principal installments in accordance with the following schedule:

YEAR OF
MATURITY

PRINCIPAL
INSTALLMENTS

INTEREST
RATE

(Information to be inserted from
schedule in Section 3.02(b) hereof.)

(or so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments hereof from the Issue Date, or the most recent

date to which interest has been paid or duly provided for, 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 each year, commencing August 15, 2007. Principal installments of this Certificate are payable in the year of maturity or on a prepayment date to the Registered Owner hereof by Wells Fargo Bank, National Association (the "Paying Agent/Registrar"), upon presentation and surrender, at its Designated Payment/Transfer Office in Houston, Texas. Interest is payable to the Registered Owner of this Certificate whose name appears on the "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 by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the 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 Certificate 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 6.03. CUSIP Registration. The County may secure identification numbers (the "CUSIP numbers") and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect as regards the legality thereof and neither the County nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.04. Legal Opinion. The approving legal opinion of Bickerstaff, Heath, Pollan & Caroom, L. L. P., Bond Counsel, may be printed on the reverse side of each Certificate or may be attached to each Certificate.

Section 6.05. Statement of Insurance. A statement relating to a municipal bond insurance policy, if any, to be issued for the Certificates may be printed on each Certificate.

ARTICLE VII

SALE AND DELIVERY OF CERTIFICATES, DEPOSIT OF PROCEEDS AND APPROVAL OF OFFICIAL STATEMENT

Section 7.01. Sale. The Certificates are hereby sold and shall be delivered to the Underwriters at a price of \$18,634,993.22 (representing the principal amount of the Certificates, less an original issue discount of \$237,876.95 and less an underwriters' discount of \$127,129.83) plus accrued interest on the Certificates from April 15, 2007 to the date of closing, in accordance with the terms of a Purchase Agreement of even date herewith, presented to and hereby approved by the Commissioners Court, which price and

terms are hereby found and determined to be the most advantageous and reasonably obtainable by the County. The County Judge is authorized to execute the Purchase Agreement. In addition, other appropriate officials of the County are hereby authorized and directed to execute such Purchase Agreement on behalf of the County. The County Judge and all other officers, agents and representatives of the County are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Certificates.

Section 7.02. Control and Delivery of Certificates.

(a) The County Judge is hereby authorized to have control of the Initial Certificate and all necessary records and proceedings pertaining thereto pending investigation, examination and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Certificates shall be made to the Underwriters under and subject to the general supervision and direction of the County Judge, against receipt by the County of all amounts due to the County under the terms of sale.

Section 7.03. Approval of Official Statement.

The form and substance of the Official Statement for the Certificates and any addenda, supplement or amendment thereto (the "Official Statement") presented to and considered at this meeting is hereby in all respects approved and adopted. The County Judge and the County Clerk are hereby authorized and directed to execute the same and deliver appropriate numbers of executed copies thereof to the Underwriters. The use and distribution of the Preliminary Official Statement by the Underwriters is hereby ratified, approved and confirmed and is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, by the County. The Underwriters are hereby authorized to use and distribute the Official Statement in re-offering, sale, and delivery of the Certificates to the public. The County Clerk is hereby authorized and directed to include and maintain a copy of the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting.

Section 7.04. Appropriation for August 15, 2007 Interest Payment.

The County has sufficient funds in its Reserve Fund to make the first interest payment that comes due on the Certificates on August 15, 2007 in the amount of \$262,730.42. Such funds sufficient to make the August 15, 2007 interest payment are appropriated and transferred to the Interest and Sinking Fund for the Certificates, as of the date of delivery and payment for the Certificates.

ARTICLE VIIIINVESTMENTSSection 8.01. Investments.

(a) Money in the Construction Fund and the Interest and Sinking Fund, at the option of the County, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which such money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the fund from which the investment was made.

Section 8.02. Investment Income. Interest and income derived from investment of the Interest and Sinking Fund and the Construction Fund shall be credited to the respective Fund.

ARTICLE IXPARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Certificates. On or before each Interest Payment Date of the Certificates and while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such interest on and principal of the Certificates as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Federal Tax Covenants.

(a) The County hereby represents that the proceeds of the Certificates are needed at this time for the purposes specified in Section 3.01 hereof; that based on current facts, estimates and circumstances, it is reasonably expected that final disbursement of the proceeds of the Certificates will occur within three years after the Closing Date, that substantial binding obligations to commence such acquisitions will be incurred within six months of the Closing Date and that the accomplishment of the projects for which the Certificates are hereby issued will proceed with due diligence to completion; that it is not reasonably expected that the proceeds of the Certificates or money deposited in the Interest and Sinking Fund will be used or invested in a manner that would cause the Certificates to be or become "arbitrage bonds," within the meaning of Section 148 of the Code; and that, except for the Interest and Sinking Fund, no other funds or accounts have been established or pledged to the payment of the Certificates.

(b) The County will not take any action or fail to take any action with respect to the investment of the proceeds of the Certificates or any other funds of the County, including amounts received from the investment of any of the foregoing, which act or omission based upon the facts, estimates, and circumstances known on the Closing Date, would result in constituting the Certificates "arbitrage bonds," within the meaning of Section 148 of the Code, and the County will not take any deliberate action motivated by arbitrage that would have such result.

(c) The County will comply with the provisions of Section 148(f) of the Code (relating to paying certain excess earnings of investment proceeds of the Certificates to the United States) and the regulations promulgated thereunder.

(d) The County will not take any action or fail to take any action which act or omission would result in the interest on the Certificates being includable in gross income for federal tax purposes.

(e) The County will not take any action or fail to take any action which act or omission would result in the Certificates being treated as "private activity bonds" within the meaning of Section 141(a) of the Code.

(f) The County will not take any action or fail to take any action which act or omission would result in the Certificates being treated as "federally guaranteed" within the meaning of Section 149(b) of the Code.

(g) Proper officers of the County charged with the responsibility of issuing the Certificates are hereby directed to make, execute and deliver certifications as to facts, estimates and circumstances in existence as of the Closing Date and stating whether there are any facts, estimates or circumstances that would materially change the County's current expectations.

(h) The covenants and representations made or required by this Section are for the benefit of the Owners and may be relied upon by the Owners and Bond Counsel for the County.

Section 9.03. Other Representations and Covenants.

(a) The County will faithfully perform, at all times, any and all covenants, undertakings, stipulations, and provisions contained in this Order and in each Certificate; the County will promptly pay or cause to be paid the principal of and interest on each Certificate on the dates and at the places and manner prescribed in such Certificate; and the County will, at the times and in the manner prescribed by this Order, deposit or cause to be deposited the amounts of money specified by this Order.

(b) The County is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has

been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the County in accordance with their terms.

Section 9.04. 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) *Updated Information and Data.* The County shall provide annually to each NRMSIR and any SID, within six months after the end of each fiscal year ending in or after 2007, submit financial information and operating data with respect to the County that is of the general type included in the Official Statement authorized by Section 7.03, being the information described in Schedules 1, 3 through 7 and 9 through 11 of Appendix A and annual audited financial statements of the County set forth in Appendix C thereto. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles the County may be required to employ from time to time in accordance with State law, 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 so provided, then the County shall provide unaudited financial statements for the applicable fiscal year to each NRMSIR and any SID, and audited financial statements when and if the audited financial statements become available.

If the County changes its fiscal year, it will notify each NRMSIR and any SID of the change (and of the date of the new fiscal year end) prior to the next date by which the County otherwise would be required to provide financial information and operating data pursuant to this Section.

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference

to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to each NRMSIR and any SID or filed with the SEC.

(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 Certificates, 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 Certificates;
7. Modifications to rights of holders of the Certificates;
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 Certificates while, but only while, the County remains an "obligated person" with respect to the Certificates within the meaning of the Rule, except that the County in any event will give notice required by subsection (c) of this Section of any bond calls and defeasance that cause the County to no longer be such an "obligated person."

The provisions of this Section are for the sole benefit of the Holders and Beneficial Owners of the Certificates, 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 Certificates at any future date.

· UNDER NO CIRCUMSTANCES SHALL THE COUNTY BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY CERTIFICATE 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 comprise a breach of or default under the 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 Certificates in the primary offering of the Certificates 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 Certificates 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 Certificates. 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.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an "Event of Default," to wit:

(i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Certificates when the same becomes due and payable; or

(ii) default in the performance or observance of any other covenant, agreement or obligation of the County, the failure to perform which materially, adversely affects the rights of the Owners, including but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Owner to the County.

Section 10.02. Remedies for Default.

(a) Upon the happening of any Event of Default, then and in every case any Owner or an authorized representative thereof, including but not limited to, a trustee or trustees therefor, may proceed against the County for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Certificates then outstanding.

Section 10.03. Remedies Not Exclusive.

(a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Certificates or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Certificates shall not be available as a remedy under this Order.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

ARTICLE XIDISCHARGE

Section 11.01. Discharge and Defeasance. If the County shall pay or cause to be paid, the principal of, premium, if any, and interest on the Certificates, 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.

The Certificates, 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 Certificates or the principal amount(s) thereof at Stated Maturity or to the redemption date therefor, 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) Defeasance Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or any trust company or commercial bank that does not act as a depository for the County, which Defeasance 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 money deposited therewith, if any, to pay when due the principal of and interest on such Certificates, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof.

Any money so deposited with the Paying Agent/Registrar, and all income from Defeasance Securities held in trust by the Paying Agent/Registrar, or any trust company or commercial bank that does not act as a depository for the County, pursuant to this Section which is not required for the payment of the Certificates, or any principal amount(s) thereof, or interest thereon with respect to which such money has 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 Certificates and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Certificates or applicable redemption date, such money was deposited and is held in trust to pay shall upon the request of the County be remitted to the County against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem Certificates that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the County expressly reserves the right to call the defeased Certificates for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Certificates immediately following

the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Certificates, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Certificates.

Section 11.02. Discharge by Deposit.

(a) The County may discharge its obligation to pay the principal of, redemption premium, if any, and interest on all or any portion of the Certificates and its obligation to pay other sums payable or to become payable under this Order by the County, including the compensation due or to become due the Paying Agent/Registrar, in accordance with the following provisions:

(i) depositing or causing to be deposited with the Paying Agent/Registrar an amount of money that, together with the interest earned on or capital gains or profits to be realized from the investment of such money, will be sufficient to pay the principal of, redemption premium, if any, and accrued interest on such Certificates to maturity or to the date fixed for prior redemption of such Certificates, and to pay such other amounts as may be reasonably estimated by the Paying Agent/Registrar to become payable under this Order with respect to the Certificates being provided for, including the compensation due or to become due the Paying Agent/Registrar; and

(ii) providing the Paying Agent/Registrar with an opinion of nationally recognized bond counsel acceptable to the Paying Agent/Registrar to the effect that the deposit specified in subdivision (i) of this subsection (a) will not cause the interest on any of the Certificates to become subject to federal income taxation.

(b) Subject to subsection (c) of this Section, upon compliance with subsection (a) of this Section, the Certificates for the payment of which provision is thus made shall no longer be regarded as outstanding and unpaid, and the Paying Agent/Registrar, upon receipt of a letter of instructions from the County requesting the same, shall discharge and release the lien of this Order as to such Certificates and shall execute and deliver to the County such releases or other instruments as shall be requisite to release the lien hereof.

(c) Before discharge and release of any portion of the lien of this Order pursuant to this Section, the County shall make the following provisions with the Paying Agent/Registrar:

(i) the establishment of a separate escrow account fund with the Paying Agent/Registrar for the deposit pursuant to subsection (a)(i) of this Section;

(ii) the payment to the Owners at the date of maturity or at the date fixed for prior redemption, as applicable, of the full amount to which the Owners of the appropriate Certificates would be entitled by way of principal, redemption premium, if any, and interest to the date of such maturity or prior redemption;

(iii) the investment of such moneys by the Paying Agent/Registrar in securities or obligations maturing in sufficient time, in the judgment of the Paying Agent/Registrar, to make available the moneys required for such purposes;

(iv) the sending of written notice by registered or certified United States mail to the Owner of each appropriate Certificate then outstanding within thirty (30) days following the date of such deposit that such moneys are so available for such payment; and

(v) the payment to the County, periodically or following final payment of the principal of, redemption premium, if any, and interest on the appropriate Certificates, of any moneys, interest earnings, profits or capital gains over and above the amounts necessary for such purposes.

(d) Notwithstanding anything in this Order to the contrary, any money deposited in the escrow account for the discharge and release of the lien of this Order shall be invested in direct obligations of the United States or obligations which are unconditionally guaranteed by the United States.

ARTICLE XII

MUNICIPAL BOND INSURANCE

Section 12.01. Approval. The purchase of and payment of the premium for municipal bond insurance from Financial Security Assurance, Inc. by the County, in accordance with the terms of a commitment for such insurance presented to and hereby approved by the Commissioners Court is hereby authorized. All officials and representatives of the County are authorized and directed to execute such documents and to do any and all things necessary or desirable to obtain such insurance, and the printing on the Certificates of an appropriate legend regarding such insurance is hereby approved.

ARTICLE XIII

Section 13.01. Further Procedures. The County Judge, County Clerk, and all other officers, employees, and agents of the County, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things to execute, acknowledge and deliver in the name and under the official seal and on behalf of the County all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms


and provisions of this Order, the Certificates and the Official Statement pertaining thereto. In case any officer whose facsimile signature shall appear on any Certificates shall cease to be such officer before the delivery of the Certificates, such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

Section 13.02. Order a Contract; Amendments. The Order shall constitute a contract with the Owners, from time to time, of the Certificates, binding on the County and its successors and assigns, and shall not be amended or repealed by the County as long as any Certificate remains outstanding except as permitted in this Section. The County may amend the Order without the consent of or notice to any Owners in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the County may, with the written consent of the holders of a majority in aggregate principal amount of the Certificates then outstanding affected thereby, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the Owners of all the Certificates affected, no such amendment, addition, or rescission may (1) make any change in the maturity of any of the outstanding Certificates; (2) reduce the rate of interest borne by any of the outstanding Certificates; (3) reduce the amount of the principal or maturity value of, or redemption premium, if any, payable on any outstanding Certificates; (4) modify the terms of payment or of interest or redemption premium on outstanding Certificates or any of them or impose any condition with respect to such payment; or (5) change the minimum percentage amount of the Certificates necessary to be held by registered owners for consent to such amendment.

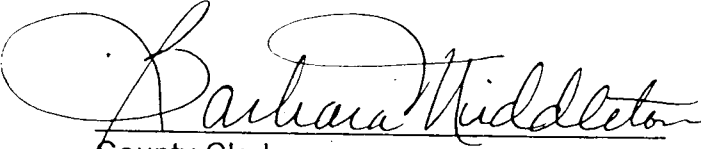
Section 13.03. Public Meeting. It is officially found, determined, and declared that the meeting at which this Order has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Order, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

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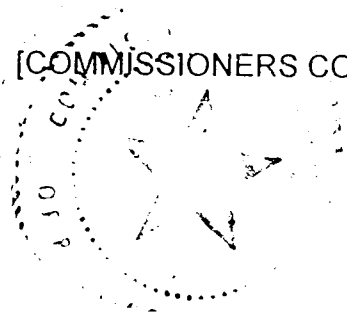
PASSED AND APPROVED this 27th day of March, 2007.


County Judge
Polk County, Texas

ATTEST:


County Clerk
Polk County, Texas

[COMMISSIONERS COURT SEAL]



Polk 07 cos-order authorizing certs-imp wpd

[SIGNATURE PAGE]

