



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Consideration and Approval of An Order Authorizing the Issuance, Sale and Delivery of United Independent School District Public Property Finance Contractual Obligations, Series 2008, and Approving Other Matters Incident and Related Thereto

SUBMITTED BY: Laida P. Benavides, CPA OF: Division of Finance

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: November 24, 2008

RECOMMENDATION:

Consider Order Authorizing the Issuance, Sale and Delivery of United Independent School District Public Property Finance Contractual Obligations, Series 2008 and Approving Other Matters Incident and Related Thereto.

RATIONALE:

UISD, through the office of its financial advisory firm, Estrada Hinojosa & Company, Inc. will receive bids for the issuance of Public Property Finance Contractual Obligations (PPFCOs), Series 2008. The bid that provides the best value to the District terms of the most favorable effective interest rate will be recommended by District staff.

BUDGETARY INFORMATION:

The issuance of PPFCOs for the purpose of purchasing buses, classroom furniture/equipment, vehicles, library books and technology equipment will be included in the budget through an approved budget amendment.

BOARD POLICY REFERENCE AND COMPLIANCE:

**ORDER AUTHORIZING THE ISSUANCE, SALE AND DELIVERY OF
 UNITED INDEPENDENT SCHOOL DISTRICT PUBLIC PROPERTY
 FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2008, AND
 APPROVING OTHER MATTERS INCIDENT AND RELATED
 THERETO**

STATE OF TEXAS	§
	§
COUNTY OF WEBB	§
	§
UNITED	§
INDEPENDENT SCHOOL DISTRICT	§

WHEREAS, the District is authorized by the Public Property Finance Act, Section 271.001, *et seq.*, Texas Local Government Code (the "Act"), to execute, perform and make payments under contracts for the use, purchase, or other acquisition of any personal property, or the financing thereof, on terms considered appropriate by the Board of Trustees of the District; and

WHEREAS, the Board of Trustees deems it appropriate to authorize the issuance of contractual obligations for the purpose of purchasing or acquiring the personal property described on Exhibit "A" hereto and the payment of materials and labor incident to the installation of said personal property; now therefore

BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE UNITED INDEPENDENT SCHOOL DISTRICT:

1. Definitions. Throughout this Order the following terms and expressions as used herein shall have the meanings set forth below:

The term "Act" means the Texas Public Property Finance Act, codified as Section 271.001 through 271.009, Texas Local Government Code, as amended.

The term "Attorney General" shall mean the Attorney General of Texas.

The term "Blanket Issuer Letter of Representations" means the Blanket Issuer Letter of Representations between the District, the Registrar and DTC.

The term "Board" shall mean the Board of Trustees of the District.

The term "Business Day" shall mean any day which is not a Saturday, Sunday, a day on which the Paying Agent/Registrar is authorized by law or executive order to remain closed or a legal holiday.

The term "Code" shall mean the Internal Revenue Code of 1986, as amended.

The term "Comptroller" shall mean the Comptroller of Public Accounts of the State of Texas.

The Term "Contractual Obligation" or "Contractual Obligations" means any or all, as the case may be, of the Series 2008 Contractual Obligations authorized in this Order, unless the context clearly indicates otherwise.

The term "Debt Service Fund" shall mean the debt service fund required to be established by the District pursuant to Section 19 of this Order.

The term "District" shall mean the United Independent School District, and any successor to its duties and functions.

The term "DTC" shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

The term "DTC Participant" shall mean brokers and dealers, bank, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term "Fiscal Year" shall mean the District's then designated fiscal year which shall be the twelve-month period beginning on September 1 of one year and ending on August 31 of the following year or such other period of twelve months as may be approved by the Board of Trustees.

The term "Government Obligations" shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the District adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent.

The term "Interest Payment Date" when used in connection with any Contractual Obligation, shall mean February 15 and August 15 of each year, commencing August 15, 2009, and continuing thereafter until the earlier of maturity or redemption.

The term "Issue Date" shall mean the date on which the Contractual Obligations are delivered to, and paid for by the purchaser of the Contractual Obligations.

The term "Order" as used herein and in the Contractual Obligations shall mean this order authorizing the Contractual Obligations.

The term "Outstanding", when used with respect to the Contractual Obligations, shall mean, as of a particular date, all Contractual Obligations theretofore and thereupon delivered

pursuant to this Order except: (a) any Contractual Obligation canceled by or on behalf of the District at or before such date; (b) any Contractual Obligation defeased pursuant to the defeasance provisions of this Order or otherwise defeased as permitted by applicable law; and (c) any Contractual Obligation in lieu of or in substitution for which a replacement Contractual Obligation shall have been delivered pursuant to this Order.

The term "Owner" shall mean any person who shall be the registered owner of any outstanding Contractual Obligation.

The term "Paying Agent/Registrar" shall mean _____, Texas, and its successors in the capacities of paying agent and registrar for the Contractual Obligations.

The term "Record Date," as used in connection with any Contractual Obligation, shall mean the close of business on the last business day of the month next preceding each Interest Payment Date.

The term "Register" shall mean the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of, and the principal amounts of the Contractual Obligations registered to, each Owner.

The term "Registered Owner or Owners" shall mean the person or entity in whose name any Contractual Obligation is registered in the Register.

The term "Rule" shall mean SEC Rule 15c2-12, as amended from time to time.

The term "SEC" shall mean the United States Securities and Exchange Commission.

The term "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.

The term "Underwriter" shall mean the initial purchaser of the Contractual Obligations designated in Section 20 hereof.

All terms defined herein and all pronouns used in this Order shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections are 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 and provisions hereof. This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Contractual Obligations and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Contractual Obligations.

2. Findings. The District hereby finds and determines that the recitals contained in the preamble hereto are true and correct and incorporates the said recitals in the preamble as if set forth in full at this place.

3. Amount; Authorization; Purposes.

(a) The Contractual Obligations shall be issued in fully registered form, without coupons, in the total authorized aggregate principal amount of SEVEN MILLION THREE HUNDRED SIXTY-FIVE THOUSAND AND NO/100 DOLLARS (\$7,365,000) for the purpose of paying all or a portion of the District's Contractual Obligations to be incurred in connection with the purchase or other acquisition of personal property shown as Exhibit "A" and the payment of materials and labor incident to the installation of said personal property pursuant to the Act, and to pay issuance costs.

(b) The Contractual Obligations herein authorized shall be issued initially either (i) as a single fully registered Contractual Obligation in the total principal amount of \$7,365,000 with principal installments to become due and payable as provided in Section 5 and numbered T-1, or (ii) as separate fully registered Contractual Obligations for each year of stated maturity in the applicable principal amounts and denominations and to be numbered consecutively from T-1 and upward [the "Initial Contractual Obligation(s)"], and in either case, the Initial Contractual Obligation(s) shall be registered in the name of the initial Underwriter or the designee(s) thereof. The Initial Contractual Obligation(s) shall be submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts and delivered to the initial Underwriter. Any time after the delivery of Initial Contractual Obligation(s), the Paying Agent/Registrar, pursuant to written instructions from the initial Underwriter, or the designee(s) thereof, shall cancel the Initial Contractual Obligation(s) delivered hereunder and exchange therefor definitive Contractual Obligations to be numbered consecutively from R-1 and upwards of authorized denominations, stated maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the initial Underwriter, or the designee(s) thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require. The Initial Contractual Obligation(s) submitted to the Attorney General of Texas may be typewritten, photocopied or otherwise reproduced.

4. Designation, Dated Date and Interest Payment Dates. The Contractual Obligations shall be designated as the "United Independent School District Public Property Finance Contractual Obligations, Series 2008" and shall be dated December 1, 2008 (the "Dated Date"). The Contractual Obligations shall bear interest at the rates set forth in Section 5 of this Order from the later of December 23, 2008 (the "Delivery Date"), or the most recent interest payment date to which such interest has been paid or duly provided for, calculated on the basis of a 360-day year of twelve 30-day months, payable on August 15, 2009, and semiannually thereafter on February 15 and August 15 of each year thereafter until maturity of the Contractual Obligations.

5. Denominations; Interest Rates and Maturities.

(a) The Contractual Obligations shall be issued in denominations of \$5,000 or any integral multiple (within a stated maturity) thereof, and bear interest on the unpaid principal amounts from the Dated Date at the rate(s) per annum set forth in the following schedule, and may be transferred and exchanged as set out in this Order. The Contractual Obligations shall mature on August 15 in each of the years and in the amounts set out in the following schedule:

MATURITY SCHEDULE

\$7,365,000

<u>Stated Maturity</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

Contractual Obligations delivered in transfer of or in exchange for other Contractual Obligations (the "Predecessor Contractual Obligations") shall be numbered in order of their authentication by the Paying Agent/Registrar, shall be in the denomination of \$5,000 or integral multiples thereof and shall mature on the same date and bear interest at the same rate as the Contractual Obligation or Contractual Obligations in lieu of which they are delivered.

6. Execution of Contractual Obligations; Seal. The Contractual Obligations shall be signed by the President of the Board and countersigned by the Secretary of the Board, by their manual or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Contractual Obligations shall have the same effect as if each of the Contractual Obligations had been signed manually and in person by each of such officers, and such facsimile seal on the Contractual Obligations shall have the same effect as if the official seal of the District had been manually impressed upon each of the Contractual Obligations. If any officer of the District whose signature shall be on the Contractual Obligations, or on any certification required in connection with the Contractual Obligations, shall cease to be such officer before the authentication of such Contractual Obligations or before the delivery of such Contractual Obligations or certification required in connection with the Contractual Obligations, such signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

7. Approval by Attorney General; Registration by Comptroller. The Initial Contractual Obligation(s) shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The President and the Secretary of the Board are authorized hereby to have control and custody of the Contractual Obligations and all necessary records and

proceedings pertaining thereto pending their delivery, and the President and the Secretary and other officers and employees of the District are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Contractual Obligations and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Contractual Obligations by the Comptroller. Upon registration of the Contractual Obligations, the Comptroller (or the Comptroller's bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall manually execute the registration certificate of the Comptroller substantially in the form provided in Section 18 of this Order, and such certificate shall be affixed or attached to the Contractual Obligations to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon.

8. Authentication. Except for the Initial Contractual Obligation(s), which need not be authenticated by the Paying Agent/Registrar, only such Contractual Obligations as shall bear thereon a certificate of authentication, substantially in the form provided in Section 17 of this Order, manually executed by an authorized representative of the Paying Agent/Registrar, shall be entitled to the benefits of this Order or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Contractual Obligation so authenticated was delivered by the Paying Agent/Registrar hereunder.

9. Payment of Principal and Interest; Paying Agent/Registrar; Book-Entry-Only System and Successor Securities Depository; Transfers Outside Book-Entry-Only System; Payment of Cede & Co.; DTC Letter of Representation.

(a) Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as the registrar and paying agent for the Contractual Obligations pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, a substantial copy of which is attached hereto as Exhibit "B," which is hereby authorized, approved and incorporated hereto by reference by the Board and which the appropriate officials of the District are hereby authorized to execute. The officers of the District are each hereby authorized to execute, attest and affix the District's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial Paying Agent/Registrar and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Paying Agent/Registrar and the District and/or the deposits of money pursuant to this Order, shall be deemed to accept and agree to abide by the terms of this Order. All money transferred to the Paying Agent/Registrar in its capacity as registrar or paying agent for the Contractual Obligations under this Order (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the District, shall be the property of the District and shall be disbursed in accordance with this Order. All matured Contractual Obligations presented to the Paying Agent/Registrar for payment shall be paid without the necessity of further instructions from the District. Such Contractual Obligations shall be canceled as provided herein.

The principal or redemption price of the Contractual Obligations shall be payable without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender, as they respectively become due and payable, at

the principal trust office of the Paying Agent/Registrar. The interest on each Contractual Obligation shall be payable by check dated as of the Interest Payment Date and mailed by the Paying Agent/Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register. Any accrued interest payable at maturity on a Contractual Obligation shall be paid upon presentation and surrender of such Contractual Obligation at the principal trust office of the Paying Agent/Registrar.

If the date for payment of the principal of or interest on any Contractual Obligation is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

(b) Book-Entry Only System for Contractual Obligations. The Contractual Obligations issued in exchange for the Initial Contractual Obligations issued to the Underwriter(s) specified in Section 20 herein shall be initially issued in the form of a separate single fully registered Contractual Obligation for each of the maturities thereof. Upon initial issuance, the ownership of each Contractual Obligation shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (i) hereof, all of the outstanding Contractual Obligations shall be registered in the name of Cede & Co, as nominee of DTC.

With respect to Contractual Obligations registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf of DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transaction among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Contractual Obligations. Without limiting the immediately preceding sentence, the District 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 Contractual Obligations, (ii) the delivery to any DTC Participant, or any other person, other than a registered owner of the Contractual Obligations, as shown on the registration books, of any notice with respect to the Contractual Obligations, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Contractual Obligations, as shown in the registration books, of any amount with respect to principal of or interest on the Contractual Obligations. Notwithstanding any other provision of this Order to the contrary, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Contractual Obligation is registered in the registration books as the absolute owner of such Contractual Obligation for the purpose of payment of principal and interest with respect to such Contractual Obligation, for the purpose of registering transfers with respect to the Contractual Obligations, and for all other purposes. The Paying Agent/Registrar shall pay all principal and interest on the Contractual Obligations only to or upon the order of the registered owners, as shown in the registration books 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 District's obligations with respect to payment of principal of and interest on the Contractual Obligations to the extent of the sum or sums so paid. No persons other than a registered owner, as shown in the registration books, shall receive a Contractual Obligation certificate evidencing the obligation of the District to make payments of

principal and interest 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 being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Order shall refer to such new nominee of DTC.

(c) Successor Securities Depository; Transfers Outside Book-Entry Only Systems. In the event that the District determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the District to DTC or that it is in the best interest of the beneficial owners of the Contractual Obligations that they be able to obtain certificated Contractual Obligations, the District 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 of the appointment of such successor securities depository and transfer one or more separate Contractual Obligations to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Contractual Obligations and transfer one or more separate Contractual Obligations to DTC Participants having Contractual Obligations credited to their DTC accounts. In such event, the Contractual Obligations shall no longer be restricted to being registered in the Registration Books 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 registered owners transferring or exchanging Contractual Obligations shall designate, in accordance with the provisions of this Order.

(d) Payment to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Contractual Obligation is registered in the name of Cede & Co., as nominee for DTC, all payments with respect to principal of and interest on such Contractual Obligation and all notices with respect to such Contractual Obligation shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

(e) DTC Letter of Representation. The officers of the District are herein authorized for and on behalf of the District and as officers of the District to enter into one or more Letters of Representation with DTC establishing the book-entry only system with respect to the Contractual Obligations.

10. Successor Paying Agents/Registrars. The District covenants that at all times while any Contractual Obligations are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Paying Agent/Registrar for the Contractual Obligations. The District reserves the right to change the Paying Agent/Registrar for the Contractual Obligations on not less than sixty (60) days written notice to the Paying Agent/Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Contractual Obligations. Promptly upon the appointment of any successor Paying Agent/Registrar, the previous Paying Agent/Registrar shall deliver the Register or a copy thereof to the new Paying Agent/Registrar, and the new Paying Agent/Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Paying Agent/Registrar. Each Paying Agent/Registrar

hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Order.

11. Special Record Date. In the event of a nonpayment of interest on any interest payment date which continues for thirty (30) days thereafter, the Paying Agent/Registrar shall establish a new record date for the payment of such interest (the "Special Record Date"). The Paying Agent/Registrar shall establish a Special Record Date upon receipt of funds from or on behalf of the District to make such interest payment. The Special Record Date shall be fifteen days prior to the scheduled payment date of past due interest. Notice of the scheduled payment date of past due interest and the Special Record Date shall be given by U.S. mail, first class postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of an affected Contractual Obligation as of the close of business on the Business Day prior to the mailing of such notice.

12. Ownership; Unclaimed Principal and Interest. The District, the Paying Agent/Registrar and any other person may treat the person in whose name any Contractual Obligation is registered as the absolute Owner of such Contractual Obligation for the purpose of making and receiving payment of the principal of or interest on such Contractual Obligation and for all other purposes, whether or not such Contractual Obligation is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Contractual Obligation in accordance with this Section shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Contractual Obligation to the extent of the sums paid.

Amounts held by the Paying Agent/Registrar which represent principal of and interest on the Contractual Obligations remaining unclaimed by the Owner after the expiration of three (3) 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. To the extent such provisions of the Texas Property Code do not apply to the funds, such funds shall be paid by the Paying Agent/Registrar to the District upon receipt by the Paying Agent/Registrar of a written request therefor from the District. The Paying Agent/Registrar shall have no liability to the Owners of the Contractual Obligations by virtue of actions taken in compliance with this Section.

13. Registration, Transfer and Exchange. As long as any Contractual Obligations remain outstanding, the Paying Agent/Registrar shall keep the Register at its principal trust office and, if such principal payment office is not in the State of Texas, the Paying Agent/Registrar shall maintain a copy of the Register within the State of Texas, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Contractual Obligations in accordance with the terms of this Order.

Each Contractual Obligation shall be transferable only upon the presentation and surrender thereof at the principal trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Paying Agent/Registrar. Upon due

presentation of any Contractual Obligation in proper form for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Contractual Obligation or Contractual Obligations, registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount and bearing interest at the same rate as the Contractual Obligation or Contractual Obligations so presented.

All Contractual Obligations shall be exchangeable upon presentation and surrender thereof at the principal trust office of the Paying Agent/Registrar for a Contractual Obligation or Contractual Obligations of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount equal to the unpaid principal amount of the Contractual Obligation or Contractual Obligations presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Contractual Obligations in accordance with the provisions of this Section. Each Contractual Obligation delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Contractual Obligation or Contractual Obligations in lieu of which such Contractual Obligation is delivered.

The District or the Paying Agent/Registrar may require the Owner of any Contractual Obligation to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Contractual Obligation. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

The Paying Agent/Registrar shall not be required to transfer or exchange any Contractual Obligation called for redemption in whole or in part during the 45-day period immediately prior to the redemption date; provided, however, that such limitation shall not apply to the transfer or exchange by the Owner of the unredeemed portion of a Contractual Obligation called for redemption in part.

14. Mutilated, Lost or Stolen Contractual Obligations. Upon the presentation and surrender to the Paying Agent/Registrar of a damaged or mutilated Contractual Obligation, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Contractual Obligation of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a damaged or mutilated Contractual Obligation to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Contractual Obligation is lost, apparently destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Contractual Obligation has been acquired by a bona fide purchaser, shall execute and the Paying Agent/Registrar shall authenticate and deliver a replacement Contractual Obligation of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Contractual Obligation, before any replacement Contractual Obligation is issued, to:

(a) furnish to the District and the Paying Agent/Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Contractual Obligation;

(b) furnish such security or indemnity as may be required by the Registrar and the District to save them harmless;

(c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(d) meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of a replacement Contractual Obligation, a bona fide purchaser of the original Contractual Obligation in lieu of which such replacement Contractual Obligation was issued presents for payment such original Contractual Obligation, the District and the Registrar shall be entitled to recover such replacement Contractual Obligation 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 District or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Contractual Obligation has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Contractual Obligation, authorize the Registrar to pay such Contractual Obligation.

In accordance with Sections 1206.021 through 1206.023, Texas Government Code, as amended, each replacement Contractual Obligation delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Contractual Obligation or Contractual Obligations in lieu of which such replacement Contractual Obligation is delivered. This section further constitutes authority for the issuance of any such replacement Contractual Obligation without necessity of further action by the governing body of the District or any other body or person, and the duty of replacement of such contractual obligation is hereby authorized and imposed upon the Paying Agent/Registrar.

15. Cancellation of Contractual Obligations. All Contractual Obligations paid or redeemed in accordance with this Order, and all Contractual Obligations in lieu of which exchange Contractual Obligations or replacement Contractual Obligations are authenticated and delivered in accordance herewith, shall be canceled and destroyed upon the making of proper records regarding such payment or redemption. The Paying Agent/Registrar shall furnish the District with appropriate certificates of destruction of such Contractual Obligations.

16. Optional Redemption of the Contractual Obligations. The District reserves the right, at its option, to redeem prior to maturity, the Contractual Obligations maturing on or after August 15, 2019, in whole or in part, on August 15, 2018, and on any date thereafter, at a price of par plus accrued interest on the principal amounts called for redemption to the date fixed for redemption. If less than all of the Contractual Obligations are redeemed, the particular

Contractual Obligations or portions thereof to be redeemed shall be selected at random and by lot by the Paying Agent/Registrar on behalf of the District.

Contractual Obligations may be redeemed only in integral multiples of \$5,000 of principal amount. If a Contractual Obligation subject to redemption is in a denomination larger than \$5,000, a portion of such Contractual Obligation may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Contractual Obligations for redemption, the Registrar shall treat each Contractual Obligation as representing that number of Contractual Obligations of \$5,000 denomination which is obtained by dividing the principal amount of such Contractual Obligation by \$5,000. Upon surrender of any Contractual Obligation for redemption in part, the Registrar, in accordance with the provisions of this Order, shall authenticate and deliver in exchange therefore a Contractual Obligation or Contractual Obligations of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Contractual Obligation so surrendered.

Not less than thirty (30) days prior, but not more than sixty (60) days prior, to redemption date for the Contractual Obligations, notice of such redemption shall be sent by U.S. mail, first class postage prepaid, in the name of the District to each registered Owner of a Contractual Obligation to be redeemed in whole or in part at the address of such Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which bonds are to be surrendered for payment and, if less than all Contractual Obligations outstanding are to be redeemed, the numbers of Contractual Obligations or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Contractual Obligations or portions thereof to be redeemed. When Contractual Obligations have been called for redemption in whole or in part, notice of redemption has been given as herein provided and due provision has been made to redeem the same, the Contractual Obligations or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue after the redemption date on any Contractual Obligation or portion thereof called redemption shall terminate on the date fixed for redemption.

17. Form of Contractual Obligations. The form of the Contractual Obligations, including the form of the Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of registration certificate of the Comptroller, which shall be attached or affixed to the Contractual Obligations shall be, respectively, substantially as follows, with such additions, deletions and variations, including any guarantee legend or statement, as may be necessary or desirable and not prohibited by this Order except that the form of the single fully registered Initial Contractual Obligation shall be modified and shall be in the form attached hereto as Exhibit "C."

FORM OF CONTRACTUAL OBLIGATION

REGISTERED

PRINCIPAL AMOUNT

R-

\$ _____

United States of America
State of Texas
COUNTY OF WEBB
UNITED INDEPENDENT SCHOOL DISTRICT
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION,
SERIES 2008

Interest Rate:

Delivery Date:

Maturity Date:

CUSIP NO:

December 23, 2008

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

UNITED INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Contractual Obligation at the trust office of _____, Texas or its successor (the "Paying Agent/Registrar"), the principal amount identified above payable in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Delivery Date identified above or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Contractual Obligation is payable semiannually on February 15 and August 15 of each year, beginning August 15, 2009 until maturity, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the close of business on the last business day of the calendar month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Contractual Obligation at the principal trust office of the Paying Agent/Registrar.

THIS CONTRACTUAL OBLIGATION is one of a duly authorized issue of Contractual Obligations dated for convenience purposes December 1, 2008 (the "Dated Date") aggregating \$7,365,000 (the "Contractual Obligations"), issued for the purpose of paying all or a portion of the District's Contractual Obligations to be incurred in connection with the purchase or other acquisition of personal property and the payment of materials and labor incident to the installation of said personal property to be used in the operation of the District's schools, under and in strict conformity with the Constitution and the laws of the State of Texas, particularly Section 271.001, *et seq.*, of the Texas Local Government Code, and pursuant to an order adopted by the Board of Trustees (the "Order"), which Order is of record in the official minutes of the District.

The District reserves the right, at its option, to redeem the Contractual Obligations maturing on or after August 15, 2019 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on August 15, 2018 or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Contractual Obligations are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Contractual Obligations of a certain maturity are to be redeemed, the particular Contractual Obligation or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

If a Contractual Obligation subject to redemption is in a denomination larger than \$5,000, a portion of such Contractual Obligation may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Contractual Obligation for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefore a Contractual Obligation or Contractual Obligations of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Contractual Obligation so surrendered.

Notice of any redemption identifying the Contractual Obligations to be redeemed in whole or in part shall be given by the Paying Agent/Registrar upon direction of the District at least 30 days but not more than 60 days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Contractual Obligation to be redeemed, in whole or in part, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Contractual Obligations or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Contractual Obligations have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, such Contractual Obligations or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Contractual Obligation or portion thereof called for redemption shall terminate on the date fixed for redemption.

THIS CONTRACTUAL OBLIGATION IS TRANSFERABLE only upon presentation and surrender at the principal trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS CONTRACTUAL OBLIGATION IS EXCHANGEABLE at the principal trust office of the Paying Agent/Registrar for the Contractual Obligations in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Contractual Obligation called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such

limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Contractual Obligation called for redemption in part.

THIS CONTRACTUAL OBLIGATION shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Contractual Obligation is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Contractual Obligation, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified Paying Agent/Registrar for the Contractual Obligations and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Contractual Obligation has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Contractual Obligation, have been performed, exist and have been done in accordance with law; that the Contractual Obligations do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes are levied pursuant to the District's maintenance taxing authority and are within the legal limits as to rate or amount as prescribed by law, sufficient to provide for the payment of the interest on and principal of this Contractual Obligation, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

THE DISTRICT HAS RESERVED the right to amend the Order with the approval of the holders of 51% of all outstanding Contractual Obligations subject to the restrictions stated in the Order.

THE CONTRACTUAL OBLIGATIONS are issuable in the form of fully registered Contractual Obligations without coupons in the denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity. The Registered Owners of any Contractual Obligations may surrender the same in exchange for any equal aggregate principal amount of Contractual Obligations of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

IN WITNESS WHEREOF, this Contractual Obligation has been signed with the manual or facsimile signature of the President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this Contractual Obligation.

UNITED INDEPENDENT SCHOOL
DISTRICT

Secretary, Board of Trustees

President, Board of Trustees

(DISTRICT SEAL)

[FORM OF CERTIFICATES OF COMPTROLLER, FORM OF PAYING
AGENT/REGISTRAR, AND FORM OF ASSIGNMENT FOR THE CONTRACTS]

**FORM OF REGISTRATION CERTIFICATE
OF COMPTROLLER OF PUBLIC ACCOUNTS**

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this contract has been examined, certified as to validity and approved
by the Attorney General of the State of Texas, and that this contractual obligation has been
registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

FORM OF PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE
AUTHENTICATION CERTIFICATE

It is hereby certified that this contractual obligation has been delivered pursuant to the
Order described in the text of this contractual obligation, in exchange for or in replacement of a
contractual obligation, contractual obligations or a portion of a contractual obligation or
contractual obligations of an issue of contractual obligations which was originally approved by
the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts
of the State of Texas.

_____, Texas
as Paying Agent/Registrar

Date of Authentication: _____

By: _____
Authorized Signature

**FORM OF ASSIGNMENT
ASSIGNMENT**

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Please print or type name, address, and zip code of Transferee) _____ the within contractual obligation and all rights (Please insert Social Security Number or Taxpayer Identification Number of Transferee) thereunder, and hereby irrevocably constitutes and appoints _____ attorney to transfer such contract on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

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

[END OF FORMS]

18. Opinions of Bond Counsel; CUSIP; Bond Insurance. The approving opinion of Escamilla & Poneck, Inc., San Antonio, Texas, Bond Counsel, a secretarial certificate certifying that the Bond Counsel Opinion is on file with the District, and CUSIP numbers, may be printed on the Contractual Obligations, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Contractual Obligations. If bond insurance is obtained by the Underwriter or the District, the printed Contractual Obligations and the Initial Contractual Obligation shall bear an appropriate legend as provided by the insurer.

19. Debt Service Fund; Tax Levy. A special fund to be designated "United Independent School District Public Property Finance Contractual Obligations, Series 2008, Debt Service Fund" (the "Debt Service Fund") is hereby created, and the proceeds from all taxes levied, assessed and collected for and on account of the Contractual Obligations authorized by this Order shall be deposited, as collected, in the Debt Service Fund. Money on deposit in the Debt Service Fund may, at the option of the District, be invested as permitted under Texas law, provided that any such investments shall be made in such manner that the money will be available at the proper time or times to make payments of principal of and interest on the Contractual Obligations and shall otherwise conform to the District's investment policy adopted in conformity with the Texas Public Funds Investment Act. For purposes of maximizing investment returns, money in the Debt Service Fund may be invested with other money of the District in common investments, or in a common pool of investments, which shall not be deemed to be or constitute a commingling of such money as long as safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money attributable to by the Debt Service

Fund are held by or on behalf of the Debt Service Fund. While the Contractual Obligations or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied pursuant to the District's maintenance tax authority, and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, a continuing direct annual ad valorem tax upon all taxable property in the District, within the limits as to rate or amount, as prescribed by law, sufficient to pay the interest on the Contractual Obligations as the same becomes due and to pay each installment of the principal of the Contractual Obligations as the same matures, full allowance being made for delinquencies and costs of collection. Such taxes are hereby irrevocably pledged to the payment of the principal of and interest on the Contractual Obligations and to no other purpose.

20. Sale; Underwriter; Official Statement. The Contractual Obligations are hereby sold and shall be delivered to _____, as the authorized representative of a group of Underwriters (the "Underwriter") at a price of \$_____ (representing the par amount of the Contractual Obligations, plus a premium of \$_____, less underwriter's discount in the amount of \$_____), plus accrued interest on the Contractual Obligations, calculated on the basis of a 360-day year of twelve 30-day months, from the Delivery Date to the date of Closing. The investment letter of purchaser (the "Investment Letter of Purchaser") presented to the District in substantially the form attached hereto as Exhibit "D," which price and terms which are hereby found and determined to be the most advantageous reasonably obtained by the District, is hereby approved. The President and other appropriate officials of the District are hereby authorized and directed to execute such Investment Letter of Purchaser on behalf of the District; and the President and all other officials, agents, and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out herein and to provide for the issuance and delivery of the Contractual Obligations.

21. Covenants To Maintain Tax Exempt Status.

(a) Definitions. When used in this Section, the following terms have the following meanings:

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

"Computation Date" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Gross Proceeds" means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Contractual Obligations.

"Investment" has the meaning set forth in Section 1.148-1(b) of the Regulations.

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

"Rebate Amount" has the meaning set forth in Section 1.148-1(b) of the Regulations.

"Regulations" means the Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1986, which are applicable to the Contractual Obligations (and any rulings thereunder). Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

"Yield" of

- (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and
- (2) the Contractual Obligations has the meaning set forth in Section 1.148-4 of the Regulations.

(b) General Tax Covenant. The District intends that the interest on the Contractual Obligations shall be excludable from gross income for purposes of federal income taxation pursuant to sections 103 and 141 through 150 of the Code and applicable Regulations. The District covenants and agrees not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, would cause the interest on the Contractual Obligations to be includable in gross income, as defined in section 61 of the Code, of the holders thereof for purposes of federal income taxation. In particular, the District covenants and agrees to comply with each requirement of this Section; provided, however, that the District shall not be required to comply with any particular requirement of this Section if the District has received an opinion of nationally recognized bond counsel ("Counsel's Opinion") that such noncompliance will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Contractual Obligations or if the District has received a Counsel's Opinion to the effect that compliance with some other requirement specified in such Counsel's Opinion shall constitute compliance with the corresponding requirement specified in this Section. In the event the provisions of the Code are amended, or new regulations or rulings are promulgated or issued thereunder, such that requirements in addition to those stated herein become applicable to the Contractual Obligations, the District covenants to comply with such additional requirements to the extent necessary to prevent any adverse effect on the exclusion of interest on the Contractual Obligations from gross income for federal income tax purposes.

(c) Use of Proceeds. The District covenants and agrees that its use of the Gross Proceeds of the Contractual Obligations will at all times satisfy the following requirements:

i. Use of Proceeds. Proceeds from the sale of the Contractual Obligations shall, promptly upon receipt by the District, be applied as follows:

a. Accrued Interest. An amount equal to accrued interest, and premium, if any, on the Contractual Obligations shall be deposited to the Debt Service Fund;

b. Costs of Issuance. An amount equal to the costs of issuance of the Contractual Obligations shall be applied to pay such costs as the District may arrange; and

c. Construction Fund. The remaining proceeds from the sale of the Contractual Obligations, together with any investment earnings on such proceeds, to the extent required, shall be deposited to the Construction Fund, which is hereby authorized to be created, to be used for the purpose of purchasing or acquiring personal property for the District. Any surplus bond proceeds, including investment earnings thereon, not used to pay construction costs shall be deposited into the Debt Service Fund.

ii. Investments. The District covenants to invest Sales Proceeds not immediately required for the District's construction program provided that any such investments shall be made in such manner that the money will be available at the proper time as needed and shall otherwise conform to the District's investment policy adopted in conformity with the Texas Public Funds Investment Act and consistent with the covenants made in this section intended to maintain the tax exempt status of the Contractual Obligations and assure that the Contractual Obligations will not be arbitrage bonds. The District will engage or consult with investment professionals to assure that its investments are undertaken to comply with the requirements of the U.S. Tax Code and Regulations thereunder.

iii. Private Business Use. Except as permitted by section 141 of the Code and the Regulations, the District shall at all times prior to the last stated maturity of the Contractual Obligations:

a. not use or permit the use of Gross Proceeds of the Contractual Obligations or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

b. not directly or indirectly impose or accept any charge or other payment by any person who is treated as using Gross Proceeds of the Contractual Obligations or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds other than ad valorem taxes or interest earned on Investments acquired with such Gross Proceeds pending application for their intended purposes.

iv. Private Loan Use. Except to the extent permitted by section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Contractual Obligations to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired,

constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

v. Not to Invest at Higher Yield. Except to the extent permitted by section 148 of the Code, and the Regulations, the District shall not directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Contractual Obligations.

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

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

viii. No-Arbitrage Covenant. The District shall certify, through an authorized officer, employee or agent, that based upon all facts and estimates known or reasonably expected to be in existence on the date the Contractual Obligations are delivered, the District will reasonably expect that the proceeds of the Contractual Obligations will not be used in a manner that would cause the Contractual Obligations to be "arbitrage bonds" within the meaning of section 148(a) of the Code and applicable regulations thereunder. Moreover, the District covenants and agrees that it will make such use of the proceeds of the Contractual Obligations (including interest or other investment income derived from Contractual Obligation proceeds), regulate investments of proceeds of the Contractual Obligations and take such other and further action as may be required so that the Contractual Obligations will not be "arbitrage bonds" within the meaning of section 148(a) of the Code and applicable regulations thereunder.

ix. Arbitrage Rebate. The District will take all necessary steps to comply with the requirement that certain amounts earned by the District on the investment of the "gross proceeds" of the Contractual Obligations (within the meaning of Section 148(f)(6)(B) of the Code), be rebated to the federal government. Specifically, the District will (i) obtain information and maintain records regarding the receipt, investment and expenditure of the gross proceeds of the Contractual Obligations as may be required to calculate the amount earned on the investment of the gross proceeds of the Contractual Obligations and to identify the gross proceeds of the Contractual Obligations separately from records of amounts on deposit in the funds and accounts of the District allocable to other bond issues of the District or moneys which do not represent gross proceeds of any contractual obligations of the District, (ii) calculate, at such times as are required by applicable regulations, the amount earned from the investment of the gross proceeds of the Contractual Obligations which is required to be rebated to the federal government and (iii) pay, at such times and in such manner as required by applicable regulations, all amounts required to be rebated to the federal government. Further, the District will not indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Contractual Obligations that might result in

a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or larger loss than would have resulted if the arrangement had been at arm's length and had the yield on the issue not been relevant to either party.

x. Elections. The District hereby directs and authorizes the President and the Vice-President of the Board, either or any combination of them, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Contractual Obligations, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

22. Investments; Funds Secured. Money in all other funds created, or continued, by this Order (the "Funds") shall be invested in investments authorized by the Public Funds Investment Act, and, to the extent not invested, shall be secured in the manner prescribed by the Public Funds Collateral Act (V.T.C.A., Government Code, Chapter 2257).

23. Related Matters. To satisfy in a timely manner all of the District's obligations under this Order, the President and Secretary of the Board and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Contractual Obligations, including, without limitation, executing and delivering on behalf of the District all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the District's obligations under this Order and to direct the transfer and application of funds of the District consistent with the provisions of this Order.

24. Qualified Tax-Exempt Obligations. The District hereby designates the Contractual obligations as qualified tax-exempt obligations for purposes of section 265(b) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) during the calendar year in which the Contractual obligations are issued, the District (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Contractual obligations, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2008 by the District (including any subordinate entities) will not exceed \$10,000,000; and (c) the District will take such action or refrain from such action as is necessary in order that the Contractual obligations will not be considered "private activity bonds" within the meaning of section 141 of the Code.

25. Ratings. The President of the Board and the District's Superintendent, financial advisor and other consultants are hereby authorized to take such action as needed in seeking ratings on the Contractual Obligations and any such action is hereby ratified and confirmed.

26. No Personal Liability. No recourse shall be had for payment of the principal or interest on any Contractual Obligations or for any claim based thereon, or on this Order, against any official or employee of the District or any person executing any Contractual Obligations.

27. Defeasance of the Contractual Obligations. Any Contractual Obligation and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Contractual Obligation") within the meaning of this Order when payment of the principal of

such Contractual Obligation, plus interest thereon to the due date (whether such due date be set by reason of maturity, upon redemption, or otherwise), either (i) shall have been made or made in accordance with the terms thereof (including the giving of any required notice of redemption), or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar for such payment (A) lawful money of the United States of America sufficient to provide for such payments, or (B) "Governmental Obligations," which mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the District with the Paying Agent/Registrar for the payment of its paying agency services until all Defeased Contractual Obligations shall have become due and payable. At such time as a Contractual Obligation shall be deemed to be a Defeased Contractual Obligation hereunder, as aforesaid, such Contractual Obligation and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the taxes herein levied and pledged as provided in this Order, and such principal and interest shall be payable from such money or Government Obligations.

Any money so deposited with the Paying Agent/Registrar may, at the written direction of the District, also be invested as hereinbefore set forth, and all income from such Governmental Obligations received by the Paying Agent/Registrar which is not required for the payment of the Contractual Obligations and interest thereon, with respect to which such money has been so deposited, shall be turned over to the District, or deposited as directed in writing by the District.

Until all Defeased Contractual Obligations shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Contractual Obligations the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Order.

The District reserves the option, to be exercised at the time of the defeasance of the Contractual Obligations, to call for redemption, at an earlier date, those Contractual Obligations which have been defeased to their maturity date, if the District: (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Contractual Obligations for redemption; (ii) gives notice of the reservation of that right to the owners of the Contractual Obligations immediately following the making of the firm banking and financial arrangement; and (iii) directs that notice of the reservation to be included in any redemption notices that it authorizes.

28. Book-Entry Only Transfers and Transactions. Notwithstanding the provisions contained in Sections 9 and 13 hereof relating to the payment, and transfer/exchange of the Contractual Obligations, the District hereby approves and authorizes the use of "Book-Entry Only" securities clearance, settlement and transfer system (the "DTC System") provided by the Depository Trust Company New York, New York ("DTC"), a limited purpose trust company organized under the laws of the State of New York, in accordance with the requirements and procedures identified in the Letter of Representations, by and between the District, the Paying Agent/Registrar and DTC (the "Depository Agreement") relating to the Contractual Obligations. The District and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representation.

Pursuant to the Depository Agreement and the rules of DTC, the Contractual Obligations shall be deposited with DTC who shall hold said Contractual Obligations for its participants (the "DTC Participants"). While the Contractual Obligations are held by DTC under the Depository Agreement, the Holder of the Contractual Obligations on the Security Register for all purposes, including payment and notices, shall be Cede & Co., as nominee of DTC, notwithstanding the ownership of each actual purchaser or owner of each Contractual Obligation (the "Beneficial Owners") being recorded in the records of DTC and DTC Participants.

In the event DTC determines to discontinue serving as securities depository for the Contractual Obligations or otherwise ceases to provide book-entry clearance and settlement of securities transactions in general or the District determines that DTC is incapable of properly discharging its duties as securities depository for the Contractual Obligations, the District covenants and agrees with the holders of the Contractual Obligations to cause Contractual Obligations to be printed in definitive form and provide for the Contractual Obligation certificates to be issued and delivered to DTC Participants and Beneficial Owners, as the case may be. Thereafter, the Contractual Obligations in definitive form, shall be assigned, transferred and exchanged on the Security Register maintained by the Paying Agent/Registrar and payment of such Contractual Obligations shall be made in accordance with the provisions of Sections 9 and 13 hereof.

29. Continuing Disclosure Undertaking. The District is not required to make any continuing disclosure pursuant to Rule 15c2-12(b) of the Securities and Exchange Commission under the Securities Exchange Act of 1934, because the Contractual Obligations are being sold pursuant to a private placement.

30. Amendment of Order.

(a) The holders of Contractual Obligations aggregating in principal amount 51% of the aggregate principal amount of then outstanding Contractual Obligations shall have the right from time to time to approve any amendment to this Order which may be deemed necessary or desirable by the District; provided, however, that without the consent of the holders of all of the Contractual Obligations at the time outstanding, nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions in this Order or in the Contractual Obligations with respect to the following matters:

- i. Make any change in the maturity of the outstanding Contractual Obligations;
- ii. Reduce the rate of interest borne by any of the outstanding Contractual Obligations;
- iii. Reduce the amount of the principal payable on the outstanding Contractual Obligations;
- iv. Modify the terms of payment of principal or interest on the outstanding Contractual Obligations or impose any conditions with respect to such payment;

v. Affect the rights of the holders of less than all of the Contractual Obligations then outstanding;

vi. Change the minimum percentage of the principal amount of Contractual Obligations necessary for consent to such amendment.

(b) If at any time the District shall desire to amend the Order under this Section, the District shall cause notice of the proposed amendment to be published in a financial newspaper or journal published in the City of New York, New York, once during each calendar week for at least two successive calendar weeks. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy thereof is on file at the trust office of the Paying Agent/Registrar for inspection by all holders of Contractual Obligations. Such publication is not required, however, if notice in writing is given to each holder of Contractual Obligations.

(c) Whenever at any time not less than 30 days, and within one year from the date of the first publication of said notice or other service of written notice, the District shall receive an instrument or instruments executed by the holders of at least 51% in aggregate principal amount of all Contractual Obligations then outstanding, which instrument or instruments shall refer to the proposed amendment described in said notice and which specifically give consent to and approval of such amendment in substantially the form of the copy thereof on file with the Paying Agent/Registrar, the Board of Trustee may pass the amendatory order in substantially the same form.

(d) Upon the passage of any amendatory order pursuant to the provisions of this Section, this Order shall be deemed to be amended in accordance with such amendatory order, and the respective rights, duties and obligations under this Order of the District and all the holders of then outstanding Contractual Obligations shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such amendments.

(e) Any consent given by the holder of a Contractual Obligation pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the first publication of the notice provided for in this Section, and shall be conclusive and binding upon all future holders of the same Contractual Obligation during such period. Such consent may be revoked at any time after six months from the date of the first publication of such notice by a holder who gave such consent, or by a successor in title, by filing notice thereof with the Paying Agent and the District, but such revocation shall not be effective if the holders of 51% in aggregate principal amount of the then outstanding Contractual Obligations as in this Section defined have, prior to the attempted revocation, consented to and approved the amendment.

(f) For the purpose of this Section the identity of the holders of Contractual Obligations, the amounts and numbers of such Contractual Obligations and the date of their holding same shall be proved by the registration books of the appropriate Paying Agent/Registrar. For purposes of this Section, the holder of a Contractual Obligation shall be the owner thereof as shown on such registration books. The District may conclusively assume that such ownership continues until written notice to the contrary is served upon the District.

(g) The foregoing provisions of this Section notwithstanding, the District by action of the Board of Trustees, may amend this Order for any one or more of the following purposes:

(1) To add other covenants and agreements of the District in this Order contained, other covenants and agreements thereafter to be observed, grant additional rights or remedies to Contractual Obligation holders, or to surrender, restrict, or limit any right or power herein reserved to or conferred upon the District;

(2) To make such provisions for the purpose of curing any ambiguity, or curing, correcting, or supplementing any defective provision contained in this Order, or to clarify matters or questions arising under this Order, as are necessary or desirable and not contrary to or inconsistent with this Order and which shall not adversely affect the interests of the holders of the Contractual Obligations;

(3) To modify any of the provisions of this Order; provided that any modification is expressly effective only after all Contractual Obligations outstanding at the date of the adoption of such modification shall cease to be outstanding.

31. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Order to be given to or filed with the District or the Registrar shall be deemed to have been given only upon receipt. Any notice shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

District: United Independent School District
1702 Houston Street
United, Texas 78040
Attention: Superintendent of Schools

Paying Agent/Registrar: _____

Attention: Corporate Trust Department

32. Open Meeting. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by Chapter 551, Texas Government Code, Vernon's Texas Civil Statutes.

33. Further Procedures. The officers and employees of the District are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District 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 initial sale and delivery of the Contractual Obligations, the Paying Agent/Registrar Agreement, and the Official Statement. In addition, prior to the initial delivery of the Contractual Obligations, the President and Secretary of the Board, the Superintendent of Schools, and Contractual Obligation

Counsels are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order and as described in the Official Statement (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Contractual Obligations by the Texas Attorney General's office. In case any officer of the District whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

34. Severability. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

35. Repealer. All orders and resolutions, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

36. Effective Date. This Order shall be in full force and effect from and upon its adoption.

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PASSED AND APPROVED on _____, 2008.

UNITED INDEPDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

UNITED INDEPENDENT SCHOOL DISTRICT

Secretary, Board of Trustees

(DISTRICT SEAL)

EXHIBIT "A"

PERSONAL PROPERTY LIST

PROJECT LIST

School Buses

Vehicles

Video Conferencing Equipment

Office Equipment

Furniture

EXHIBIT "B"

PAYING AGENT/REGISTRAR AGREEMENT

(See Tab No. ____)

EXHIBIT "C"

FORM OF INITIAL CONTRACT

REGISTERED
T-1

PRINCIPAL AMOUNT
\$7,365,000.00

United States of America
State of Texas
COUNTY OF WEBB
UNITED INDEPENDENT SCHOOL DISTRICT
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATION,
SERIES 2008

Interest Rate: Delivery Date: Maturity Date: CUSIP NO:
December 23, 2008

REGISTERED OWNER:

PRINCIPAL AMOUNT: SEVEN MILLION THREE HUNDRED SIXTY-FIVE
THOUSAND AND NO/100 DOLLARS (\$7,365,000.00)

MATURITY SCHEDULE
\$7,365,000

<u>Stated Maturity (August 15)</u>	<u>Principal Amount (\$)</u>	<u>Interest Rate (%)</u>
2009		
2010		
2011		
2012		
2013		
2014		
2015		
2016		
2017		
2018		
2019		
2020		
2021		
2022		
2023		
2024		

UNITED INDEPENDENT SCHOOL DISTRICT (the "District"), for value received, promises to pay to the Registered Owner set forth above, or registered assigns, on the maturity date specified above (or on earlier redemption as herein provided), upon presentation and surrender of this Contractual Obligation at the trust office of _____, Texas or its successor (the "Paying Agent/Registrar"), the principal amount identified above payable in

any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year composed of twelve 30-day months, from the Delivery Date identified above or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Contractual Obligation is payable semiannually on February 15 and August 15 of each year, beginning August 15, 2009 until maturity, by check mailed by the Paying Agent/Registrar to the Registered Owner of record as of the close of business on the last business day of the calendar month immediately preceding the applicable interest payment date, as shown on the registration books kept by the Paying Agent/Registrar. Any accrued interest payable at maturity or earlier redemption shall be paid upon presentation and surrender of this Contractual Obligation at the principal trust office of the Paying Agent/Registrar.

THIS CONTRACTUAL OBLIGATION is one of a duly authorized issue of Contractual Obligations dated for convenience purposes December 1, 2008 (the "Dated Date") aggregating \$7,365,000 (the "Contractual Obligations"), issued for the purpose of paying all or a portion of the District's Contractual Obligations to be incurred in connection with the purchase or other acquisition of personal property and the payment of materials and labor incident to the installation of said personal property to be used in the operation of the District's schools, under and in strict conformity with the Constitution and the laws of the State of Texas, particularly Section 271.001, *et seq.*, of the Texas Local Government Code, and pursuant to an order adopted by the Board of Trustees (the "Order"), which Order is of record in the official minutes of the District.

The District reserves the right, at its option, to redeem the Contractual Obligations maturing on or after August 15, 2019 prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on August 15, 2018 or any date thereafter, at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Contractual Obligations are redeemed at any time, the particular maturities of Bonds to be redeemed shall be selected by the District. If less than all of the Contractual Obligations of a certain maturity are to be redeemed, the particular Contractual Obligation or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

If a Contractual Obligation subject to redemption is in a denomination larger than \$5,000, a portion of such Contractual Obligation may be redeemed, but only in integral multiples of \$5,000. Upon surrender of any Contractual Obligation for redemption in part, the Paying Agent/Registrar shall authenticate and deliver in exchange therefore a Contractual Obligation or Contractual Obligations of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Contractual Obligation so surrendered.

Notice of any redemption identifying the Contractual Obligations to be redeemed in whole or in part shall be given by the Paying Agent/Registrar upon direction of the District at least 30 days but not more than 60 days prior to the date fixed for redemption by sending written notice by first class mail to the Registered Owner of each Contractual Obligation to be redeemed, in whole or in part, at the address shown on the Register at the close of business on the Business Day next preceding the date of mailing. Any notice given shall be conclusively presumed to have been duly given, whether or not the Registered Owner receives such notice. By the date

fixed for redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the redemption price of the Contractual Obligations or portions thereof to be redeemed, plus accrued interest to the date fixed for redemption. When Contractual Obligations have been called for redemption in whole or in part and due provision has been made to redeem the same as herein provided, such Contractual Obligations or portions thereof so redeemed shall no longer be regarded as outstanding except for the purpose of receiving payment solely from the funds so provided for redemption, and the rights of the Registered Owners to collect interest which would otherwise accrue after the redemption date on any Contractual Obligation or portion thereof called for redemption shall terminate on the date fixed for redemption.

THIS CONTRACTUAL OBLIGATION IS TRANSFERABLE only upon presentation and surrender at the principal trust office of the Paying Agent/Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS CONTRACTUAL OBLIGATION IS EXCHANGEABLE at the principal trust office of the Paying Agent/Registrar for the Contractual Obligations in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THE PAYING AGENT/REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Contractual Obligation called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Contractual Obligation called for redemption in part.

THIS CONTRACTUAL OBLIGATION shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Contractual Obligation is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Contractual Obligation, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified Paying Agent/Registrar for the Contractual Obligations and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Contractual Obligation has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Contractual Obligation, have been performed, exist and have been done in accordance with law; that the Contractual Obligations do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes are levied pursuant to the District's maintenance taxing authority and are within the legal limits as to rate or amount as prescribed by law, sufficient to provide for the payment of the interest on and principal of this Contractual Obligation, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

THE DISTRICT HAS RESERVED the right to amend the Order with the approval of the holders of 51% of all outstanding Contractual Obligations subject to the restrictions stated in the Order.

THE CONTRACTUAL OBLIGATIONS are issuable in the form of fully registered Contractual Obligations without coupons in the denominations of \$5,000 or any integral multiple of \$5,000 for any one maturity. The Registered Owners of any Contractual Obligations may surrender the same in exchange for any equal aggregate principal amount of Contractual Obligations of the same maturity and for any other authorized denominations. Such exchanges shall be without expense to the Registered Owner hereof, but any taxes, fees or other governmental charges required to be paid with respect to the same shall be paid by the Registered Owner requesting such exchange as a condition precedent to the exercise of such privilege.

IN WITNESS WHEREOF, this Contractual Obligation has been signed with the manual or facsimile signature of the President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this Contractual Obligation.

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IN WITNESS WHEREOF, this Contractual Obligation has been signed with the manual or facsimile signature of the President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this Contractual Obligation.

UNITED INDEPENDENT SCHOOL
DISTRICT

Secretary, Board of Trustees

President, Board of Trustees

(DISTRICT SEAL)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this contract has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and that this contractual obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts
of the State of Texas

(SEAL)

EXHIBIT "D"

FORM OF INVESTMENT LETTER OF PURCHASER

(See Tab No. _____)