
AMENDED AND RESTATED STANDBY BOND PURCHASE AGREEMENT

by and between

DENTON INDEPENDENT SCHOOL DISTRICT

and

BANK OF AMERICA, N.A.

Dated as of August __, 2010

\$46,500,000 Denton Independent School District
Variable Rate Unlimited Tax School Building Bonds, Series 2005-A

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AMENDED AND RESTATED STANDBY BOND PURCHASE AGREEMENT

THIS AMENDED AND RESTATED STANDBY BOND PURCHASE AGREEMENT is entered into this August __, 2010, by and between the DENTON INDEPENDENT SCHOOL DISTRICT, an independent school district duly created, organized and existing under the laws of the State of Texas (the "*District*"), and BANK OF AMERICA, N.A. (the "*Bank*").

RECITALS

WHEREAS, the District is authorized by Chapter 45, Texas Education Code, as amended, to issue bonds payable from the receipts of *ad valorem* taxes, without legal limit as to rate or amount, on all taxable property within the District for the acquiring, constructing and equipping of school buildings in the District and purchasing of necessary sites therefor; acquiring new buses; and paying the costs of issuing the Bonds;

WHEREAS, pursuant to a bond order adopted on January 25, 2005, by the District (as amended and supplemented pursuant to the terms hereof and thereof, the "*Order*") the Board of Trustees of the District (the "*Board*") authorized the issuance of Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2005-A in the original amount of \$46,500,000 (the "*Bonds*");

WHEREAS, the District and the Bank are parties to a Standby Bond Purchase Agreement dated January 15, 2005 (the "*Original Agreement*");

WHEREAS, subject to the terms and conditions of this Agreement, the parties hereto desire to extend the terms of the Original Agreement and make certain other changes as herein provided, and in connection therewith, the parties have agreed to amend and restate the Original Agreement in its entirety by entering into this Agreement, and in that connection, the District has requested the Bank to support the Bonds by making available a standby bond purchase facility with respect to the Bonds, on the terms and subject to the conditions set forth herein, to purchase certain of the Bonds tendered for repurchase pursuant to the provisions of the Order;

NOW, THEREFORE, in consideration of the premises and the agreements contained herein, the District and the Bank hereby agree as follows:

ARTICLE I

DEFINITIONS

Section 1.1. Definitions. In this Agreement (except as otherwise expressly provided for or unless the context otherwise requires), defined terms may be used in the singular or the plural, the use of any gender includes all other genders, and the following defined terms have the following meanings:

“Accountant” means a Person engaged in the practice of accounting who is an independent certified public accountant and who (except as otherwise expressly provided herein) may be employed by the District.

“Agreement” means this Standby Bond Purchase Agreement, as it may be amended from time to time.

“Amortization End Date” has the meaning set forth in the Order.

“Amortization Payment Date” has the meaning set forth in the Order.

“Applicable Rate” means, as and to the extent provided in the Order, for each day of determination with respect to any Purchased Bond, calculated on the basis of a 360-day year for the actual number of days elapsed, during the period (i) from and after, and including the related Purchase Date through and including ninety days after such Purchase Date, the Bank Rate, and (ii) thereafter, the Bank Rate plus 2.0%, *provided, however*, that from and after the occurrence of an Event of Default or an Event of Termination, the Applicable Rate shall mean the Default Rate *provided, further*, that in no event shall the Applicable Rate be less than the highest per annum rate applicable to Bonds that are not Purchased Bonds.

“Available Commitment” means initially a maximum aggregate amount equal to \$49,290,000, representing \$46,500,000 original principal amount of the Bonds *plus* \$2,790,000 (which initial amount equals 270 days’ interest on the original principal amount of the Bonds based upon an assumed rate of **[8%]** per annum and a **[three hundred sixty (360)]** day year), and thereafter means said amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Commitment pursuant to Section 2.3 hereof; (b) downward by the Purchase Price of any Bonds purchased by the Bank pursuant to Section 2.1 and Article III hereof; (c) upward by the Purchase Price of any Bonds theretofore purchased by the Bank pursuant to Section 2.1 and Article III hereof, which are sold by the Bank (or purchased from the Bank in accordance with Section 3.3(a) hereof) pursuant to Section 3.3(b) hereof; and (d) downward at the times and to the extent provided in Section 7.3 hereof; *provided, however*, in no event shall the Available Commitment exceed a maximum aggregate of \$49,290,000. Any such adjustments shall occur simultaneously with the event requiring such adjustments.

“Bank” means Bank of America, N.A., and its successors and assigns.

“Bank Rate” means, for any day, an interest rate per annum equal to the highest of (a) the Prime Rate in effect on such day *plus* one and one-half of one percent (1.50%), (b) the Federal Funds Rate *plus* three percent (3.00%) and (c) seven and one-half of one percent (7.50%).

“Board” has the meaning set forth in the recitals hereof.

“Bond Documents” means this Agreement, the Order, the Bonds, the Paying Agent/Registrar Agreement, the Remarketing Agreement, the Tender Agent Agreement and any other agreements, instruments, certificates, or opinions relating thereto, as such agreements,

instruments, certificates, or opinions may be amended from time to time in accordance with the terms thereof.

“Bonded Debt” means at any date, indebtedness of the District payable from and secured by a pledge of the Debt Service Tax. For the purpose of computing “Bonded Debt”, there shall be excluded any particular Bonded Debt if, upon or prior to the maturity thereof, there shall have been deposited with the proper depository in trust the necessary funds (or investments that will provide sufficient funds, if permitted by the instrument creating such Bonded Debt) for the payment redemption or satisfaction of such Bonded Debt.

“Bond Enabling Laws” means Article VII, Section 3 of the Texas Constitution; Subchapter A of Chapter 45, Texas Education Code, and the Order.

“Bonds” means any or all of the Denton Independent School District Variable Rate Unlimited Tax School Building Bonds, Series 2005-A, but only to the extent such Bonds remain Outstanding.

“Business Day” means any day other than (1) a Saturday or a Sunday; (2) a legal holiday or the equivalent on which banking institutions generally are authorized or required to close in New York, New York or Dallas, Texas or any other city in which is located (a) the principal corporate trust office of the Paying Agent/Registrar or (b) the office of the Bank at which demands for purchases of Tendered Bonds are to be presented; or (3) a day on which the New York Stock Exchange is closed in whole or in part.

“Closing Date” means the date on which this Agreement is delivered by the Bank to the Paying Agent/Registrar.

“Collateral” shall have the meaning set forth in Section 4.1 hereof.

“Consent,” “Order,” and “Request” of the District mean, respectively, a written consent, order, or request signed in the name of the District by the President or Vice-President and Secretary of the Board, or other authorized executive officer of the District, and delivered to the Bank.

“Debt” of any Person means at any date, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services, except trade accounts payable arising in the ordinary course of business, (d) all obligations of such Person as lessee under capital leases, (e) all Debt of others secured by a lien on any asset of such Person, whether or not such Debt is assumed by such Person, (f) all Guarantees by such Person of Debt of other Persons and (g) net obligations of such Person under any Swap Contract.

“Debt Service Fund” means the interest and sinking fund maintained by the District in accordance with Section 2.14 of the Order.

“Debt Service Tax” shall mean taxes levied pursuant to Article VII, Section 3 of the Texas Constitution and Section 45.001, Texas Education Code, as amended, and the Texas Constitution to secure debt issued for the construction, acquisition and equipment of school buildings, the purchase of the necessary sites therefor and acquisition of new buses.

“Default” means an Event of Default or any event or condition which, with the giving of notice or lapse of time or both, would become an Event of Default.

“Default Rate” shall mean a rate of interest per annum equal to the Bank Rate plus three percent (3.00%); *provided, however*, that in no event shall the Default Rate cause the payment of interest by the District to be in excess of the Highest Lawful Rate; *provided further, however*, that in no event shall the Default Rate be less than the highest per annum rate of interest applicable to any Outstanding Bonds.

“Eligible Bonds” has the meaning set forth in Section 2.3 hereof.

“Event of Default” means an Event of Default as described in Section 7.1 of this Agreement.

“Event of Termination” means an Event of Termination as described in Section 7.3 of this Agreement.

“Federal Funds Rate” shall mean for any day the per annum rate (rounded upwards, if necessary, to the nearest 1/100 of 1%) equal to the weighted average of the rates on overnight Federal Funds transactions with members of the Federal Reserve System arranged by Federal Funds brokers on that day, provided that (i) if the date for which the rate is to be determined is not a Business Day, the Federal Funds Rate for that day shall be the rate on such transactions on the next succeeding Business Day and (ii) if that rate is not so published for any day, the Federal Funds Rate for that day shall be the average rate charged to the Bank on that day on such transactions as determined by the Bank.

“Fitch” means Fitch Ratings and its successors, and assigns.

“Fixed Rate” has the meaning set forth in the Order.

“Fixed Rate Conversion Date” has the meaning set forth in the Order.

[“Highest Lawful Rate” has the meaning set forth in the Order.]

“Interest Component” means that portion of the Purchase Price paid by the Bank for a Purchased Bond that is equal to the accrued but unpaid interest on the principal amount of such Purchased Bond on the related Purchase Date.

“Interest Payment Date” has the meaning set forth for such term in the Order.

“Legal Counsel” means an attorney duly admitted to practice law in any state.

“Material Adverse Effect” means as to the District, (A) any material adverse change in or effect on (i) the business, operations, assets, liabilities, condition (financial or otherwise) or results of operations of the District, (ii) the ability of the District to consummate the transactions contemplated by this Agreement or any of the Bond Documents to which it is or will be a party, or (iii) the ability of the District to perform any of its obligations under this Agreement or any of the Bond Documents to which it is or will be a party, taken as a whole or (B) any adverse change in or effect on the assets, liabilities or results of operations of the District that result in a material loss.

“Maturity” means, with respect to the Bonds, the date on which the principal of such Bonds becomes due and payable as therein or herein provided, whether at the stated maturity thereof, call for redemption, or otherwise.

“Obligations” means all obligations and liabilities of the District under this Agreement (other than the District’s obligation to pay principal of and interest on the Bonds, in accordance with the terms thereof).

“Official Statement” means the Official Statement dated January 25, 2005 (including any supplements thereto) with respect to the offer and sale of the Bonds **[as supplemented by the Supplement dated _____, 2010, and as may be further amended and supplemented from time to time]**.

“Order” has the meaning set forth in the recitals hereof.

“Outstanding” means when used with respect to the Bonds, as of the date of determination, all Bonds theretofore authenticated and delivered under the Order, except:

- (a) Bonds theretofore cancelled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (b) Bonds deemed to be Defeased Bonds pursuant to Section 12.01 of the Order; and
- (c) Bonds upon transfer of or in exchange for or in lieu of which other Bonds have been authenticated and delivered pursuant to the Order.

“Owners” or *“Registered Owner”* means when used with respect to any Bond, the person or entity in whose name such Bond is registered in the Register. Any reference to a particular percentage or proportion of the Owners means the Owners at a particular time of the specified percentage or proportion in aggregate principal amount of all Bonds then Outstanding under the Order, exclusive of Bonds held by the District.

“Participating Banks” shall have the meaning assigned to such term in Section 10.14 hereof.

“Paying Agent/Registrar” means JPMorgan Chase Bank, N.A., Houston, Texas.

“Paying Agent/Registrar Agreement” means the Paying Agent/Registrar Agreement dated January 15, 2005, by and between the District and the Paying Agent/Registrar.

“Payment Fund” has the meaning set forth in the Order.

“Person” means any individual, corporation, partnership, limited liability company, joint venture, association, joint-stock company, trust, unincorporated organization, or government or any agency or political subdivision thereof.

“Preliminary Official Statement” means the Preliminary Official Statement dated January 20, 2005 (including any supplements thereto) with respect to the offer and sale of the Bonds.

“Prime Rate” means the rate of interest announced by the Bank from time to time as its prime commercial rate or equivalent, as in effect on such day for United States dollar loans, with any change in the Prime Rate resulting from a change in said prime commercial rate to be effective as of the date of the relevant change in said prime commercial rate.

“Purchase Date” means a Business Day during the Purchase Period on which the Bank purchases Bonds pursuant to Section 2.1 and Article III hereof

“Purchased Bonds” means Bonds purchased by the Bank pursuant to this Agreement, until sold pursuant to Section 3.3(b) hereof or deemed sold pursuant to Section 3.3(a) hereof.

“Purchase Period” means the period from and including the Closing Date to and including the earliest to occur of (i) the Scheduled Expiration Date; (ii) the date of receipt by the Bank of a certificate signed by the President and the Secretary of the Board of the District stating that this Agreement has been terminated pursuant to the terms of the Order because the Bonds have been defeased in accordance with the applicable laws of the State of Texas and the Order; (iii) the date of receipt by the Bank of a certificate signed by an officer of the Paying Agent/Registrar stating that no Bonds remain Outstanding; (iv) the close of business on the date immediately succeeding the date all of the Bonds are converted to the Term Rate or the Fixed Rate; (v) the effective date of any Substitute Liquidity Facility (as defined in the Order); or (vi) any date this Agreement is terminated in accordance with Section 7.3 hereof.

“Purchase Price” means, with respect to any Bond, the unpaid principal amount thereof plus accrued interest thereon from and including the Interest Payment Date next preceding the Purchase Date thereof to but excluding the Purchase Date thereof, in each case without premium; *provided* that the Interest Component will not be included in the Purchase Price if the applicable Purchase Date is an Interest Payment Date; *provided further* that the aggregate amount of the Purchase Price constituting the Interest Component will not exceed \$2,790,000.00.

“Purchased Bonds Day” means any day on which a Purchased Bond is held by the Bank (or a subsequent owner pursuant to Section 3.3(a) hereof).

“Remarketing Agent” has the meaning set forth in the Order.

“Remarketing Agreement” has the meaning set forth in the Order.

“S&P” means Standard & Poor’s Ratings Group and its successors and assigns.

“Scheduled Expiration Date” means 5:00 p.m. on August __, 2013, or such later date to which the Purchase Period may be extended by the agreement of the Bank and the District as contemplated by Section 2.7 hereof or, if such day is not a Business Day, the next preceding Business Day.

“Swap Contract” means (a) any and all rate swap transactions, basis swaps, credit derivative transactions, forward rate transactions, commodity swaps, commodity options, forward commodity contracts, equity or equity index swaps or options, bond or bond price or bond index swaps or options or forward bond or forward bond price or forward bond index transactions, interest rate options, forward foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross-currency rate swap transactions, currency options, spot contracts, or any other similar transactions or any combination of any of the foregoing (including any options to enter into any of the foregoing), whether or not any such transaction is governed by or subject to any master agreement, and (b) any and all transactions of any kind, and the related confirmations, which are subject to the terms and conditions of, or governed by, any form of master agreement published by the International Swaps and Derivatives Association, Inc., any International Foreign Exchange Master Agreement, or any other master agreement (any such master agreement, together with any related schedules, a *“Master Agreement”*), including any such obligations or liabilities under any Master Agreement.

“Suspension Event” means the occurrence of an event which causes the suspension of the obligation of the Bank to purchase Bonds hereunder pursuant to Section 7.5 hereof.

“Tender Agent” means the entity acting as tender agent from time to time under the Order and the Tender Agent Agreement and any successor tender agent agreement entered into pursuant to the Order.

“Tender Agent Agreement” means the Tender Agent Agreement, dated as of January 15, 2005, between the District, the Remarketing Agent and the Tender Agent, pertaining to the Bonds.

“Tendered Bonds” means as of any date, the Bonds, or principal portions thereof, which are subject to purchase pursuant to Article III hereof.

“Term Rate” has the meaning set forth in the Order.

Section 1.2. Rules of Construction. The words “hereof,” “herein,” “hereto,” “hereby” and “hereunder” refer to this entire Agreement. Unless otherwise indicated, all references to particular Articles or Sections are references to the Articles or Sections of this Agreement.

Section 1.3. Use of Defined Terms. Terms which are defined in this Agreement or by reference to the Order shall have their meanings as defined herein and therein when used in any document, certificate, report, or agreement furnished from time to time in connection with this Agreement, unless the context otherwise requires; *provided, however*, that in the event the same terms are defined in this Agreement and in the Order, the definitions expressed in this Agreement shall control. In addition, to the extent any definition incorporated herein by reference uses any other term which is defined in both the Order and this Agreement, the definition of such other term in this Agreement shall control. Notwithstanding the termination of the Order, the definitions incorporated herein by reference shall continue to be effective until the termination of this Agreement.

Section 1.4. Accounting Terms and Determinations. Unless otherwise specified herein, all accounting terms used herein shall be interpreted, all accounting determinations hereunder shall be made, and all financial statements required to be delivered hereunder shall be prepared in accordance with generally accepted accounting principles, applied on a basis consistent (except for changes approved by the District's Accountant) with the most recent audited financial statements of the District delivered to the Bank pursuant to Section 6.1 of this Agreement.

ARTICLE II

STANDBY BOND PURCHASE FACILITY

Section 2.1. Commitment. In the event remarketing proceeds on hand by 11:00 a.m., New York, New York time on any Purchase Date shall be insufficient to pay the Purchase Price for all Tendered Bonds required to be purchased on such Purchase Date, the Bank agrees that, upon the terms and subject to the conditions set forth in this Agreement, it shall purchase the Tendered Bonds in accordance with the terms set forth in Article III below.

Section 2.2. Request for Funding. In order to cause the Bank to purchase Tendered Bonds, the Tender Agent, acting in accordance with Article III hereof, shall present the Bank by 11:00 a.m., New York, New York time, on the applicable Purchase Date with a certificate in the form attached hereto as Exhibit A executed by the Tender Agent. Such certificate shall be transmitted to the Bank by confirmed facsimile transmittal and shall be promptly confirmed by written notice to the Bank. Subject to the conditions set forth in Section 3.2 hereof, upon receipt of such certificate, the Bank will purchase the Tendered Bonds by 2:00 p.m. New York, New York time on the applicable Purchase Date with immediately available funds representing the payment of the Purchase Price for the Tendered Bonds to the Tender Agent for deposit in the Payment Fund.

Section 2.3. Available Commitment. (a) The Available Commitment shall be adjusted from time to time as set forth in Article II and Article III hereof. Subject to the terms and conditions of this Agreement, the Bank hereby agrees from time to time during the Purchase Period to purchase, at the Purchase Price, with immediately available funds, Bonds, bearing interest at a rate other than a Fixed Rate or Term Rate and which are not owned by or on behalf

of, for the benefit of, or for the account of the District (“*Eligible Bonds*”), which have been tendered pursuant to an optional or mandatory tender in accordance with Sections 4.01 through 4.06 of the Bond Order and which, in either case, the Remarketing Agent has been unable to remarket. The aggregate principal and interest amount of all Bonds purchased on any Purchase Date shall not exceed the Available Commitment (calculated without giving effect to any purchase of Bonds by the Bank on such date) at 10:00 a.m. New York, New York time on such date. The Interest Component included in the Purchase Price of any Purchased Bond on the Purchase Date for such Purchased Bond shall not exceed the lesser of (i) an amount equal to 270 days’ interest on the aggregate principal amount of Bonds outstanding on such Purchase Date based upon an assumed rate of interest of **[8.00%]** per annum and a three hundred sixty (360) day year and (ii) the actual aggregate amount of interest accrued on each such Bond to but excluding the Purchase Date.

(b) Upon (i) any redemption, payment, or provision for payment pursuant to the Order of all or any portion of the principal amount of the Bonds so that such Bonds shall cease to be Outstanding under the Order or (ii) the close of business on the Business Day immediately following the Fixed Rate Conversion Date, the aggregate Available Commitment shall automatically be reduced by the principal amount of such Bonds so redeemed, repaid, defeased or otherwise paid or so converted, as the case may be. The District agrees to cause written notice of any redemption, defeasance, repayment or other payment or Fixed Rate Conversion of the Bonds to be promptly delivered to the Bank.

Section 2.4. Obligations Absolute. (a) Subject to subsection (b) of this Section 2.4, the obligations of the District under this Agreement shall be absolute, unconditional, and irrevocable and shall be paid strictly in accordance with the terms of this Agreement under all circumstances whatsoever, including, without limitation, the following circumstances:

(i) to the fullest extent allowed by law, any lack of validity or enforceability of this Agreement or any of the Bond Documents;

(ii) any amendment or waiver of or any consent to departure from all or any of the other Bond Documents;

(iii) any dispute between or among the District, the Bank, the Paying Agent/Registrar, the Remarketing Agent, or any Owners of Bonds, or any claims whatsoever of the District against any of such persons;

(iv) the existence of any claim setoff, defense, or other right which the District may have at any time against the Tender Agent (or any Persons or entities for whom the Tender Agent may be acting), or any other Person, whether in connection with this Agreement, the transaction contemplated herein or in the other Bond Documents or any unrelated transactions; or

(v) any of the circumstances contemplated in Section 2.5 hereof.

(b) Pursuant to the authority granted by the Constitution and laws of the State of Texas, the District will levy for the current year and for each succeeding year hereafter while any Obligations hereunder are outstanding and unpaid, an *ad valorem* tax, without legal limit as to rate or amount, on all taxable property within the District at a rate sufficient to pay the Obligations, and said taxes are hereby irrevocably pledged to the payment of the Obligations. The money thus collected shall be deposited as collected into the Debt Service Fund and all amounts on deposit in or required hereby to be deposited to the Debt Service Fund are pledged and committed irrevocably to the payment of the Obligations.

Section 2.5. Liability of the Bank. For the exclusive benefit of the Bank and as between the Bank and the District only, the District assumes all risks of the acts or omissions of the Tender Agent or the Remarketing Agent. Neither the Bank nor any of its employees, officers, or directors shall be liable or responsible for:

- (i) any acts or omissions of the Tender Agent or the Remarketing Agent;
- (ii) the form, validity, sufficiency, accuracy, or genuineness of any documents (including without limitation any documents presented hereunder), or of any statement or endorsement(s) thereon, even if such documents, statements, or endorsements should in fact prove to be in any or all respects invalid, insufficient, fraudulent, forged, inaccurate, or untrue;
- (iii) payment by the Bank against presentation of documents which do not comply with the terms of this Agreement, including failure of any documents to bear any reference or adequate reference to this Agreement; or any other failure by the Tender Agent to comply fully with conditions required in order to have the Bank purchase Tendered Bonds;
- (iv) the validity or sufficiency of any instrument transferring or assigning or purporting to transfer or assign rights of the District, the Tender Agent, or the Remarketing Agent hereunder or the rights or benefit thereunder or proceeds thereof, in whole or in part, which may prove to be invalid or ineffective for any reason;
- (v) errors, omissions, interruptions, or delays in transmission or delivery of any messages by mail, cable, telegraph, telex, telephone, or otherwise;
- (vi) any loss or delay in the transmission or otherwise of any document or draft required in order to have the Bank purchase Tendered Bonds; or
- (vii) any action, inaction, or omission which may be taken by the Bank in good faith in connection with this Agreement, any Purchased Bonds, or any other circumstances whatsoever in purchasing or failing to purchase Tendered Bonds pursuant to this Agreement;

provided, however, the District shall have a claim against the Bank and the Bank shall be liable to the District to the extent, but only to the extent, of any direct, as opposed to consequential,

damages suffered by the District which the District proves were caused by the Bank's negligent or willful failure to make payment under this Agreement in accordance with the terms hereof. In furtherance and not in limitation of the foregoing, the Bank may accept documents that the Bank in good faith determines appear on their face to be in order, without responsibility for further investigation, regardless of any notice or information to the contrary.

Section 2.6. Fees. The District hereby agrees to pay to the Bank in arrears on October 1, 2010 for the period commencing on July 1, 2010, and ending on September 30, 2010 (for fees accruing from the Closing Date to September 30, 2010, under this Agreement and for fees accruing from July 1, 2010, to the Closing Date under the Original Agreement), and on the first Business Day of each October, January, April and July occurring thereafter to the Scheduled Expiration Date and on the Scheduled Expiration Date (each a "*Fee Payment Date*"), a non-refundable commitment fee in an amount equal to (i) 0.11% per annum for each day prior to and including August 30, 2010, and (ii) the rate per annum associated with the Rating (as defined below), as specified below for each day after August 30, 2010 (the "*Commitment Fee Rate*"), in each case, on the Commitment (without regard to any temporary reductions of the Commitment) (the "*Commitment Fees*") during each related period.

LEVEL	FITCH RATING	S&P RATING	FACILITY FEE RATE
Level 1	AA- or above	AA- or above	0.55%
Level 2	A+	A+	0.65%
Level 3	A	A	0.75%
Level 4	A-	A-	0.85%
Level 5	BBB+	BBB+	0.95%
Level 6	BBB	BBB	1.05%
Level 7	BBB-	BBB-	1.15%
Level 8	Below BBB-	Below BBB-	1.25%

The term "*Rating*" as used above shall mean the lowest long-term unenhanced debt ratings assigned by Fitch or S&P to any general obligation Debt of the District. Any change in the Commitment Fee Rate resulting from a change in a Rating shall be and become effective as of and on the date of the announcement of the change in such Rating. References to ratings above are references to rating categories as presently determined by the Rating Agencies and in the event of adoption of any new or changed rating system by any such Rating Agency, including, without limitation, any recalibration or realignment of the long-term general obligation credit rating of the District in connection with the adoption of a "*global*" rating scale, each of the Ratings from the agency in question referred to above shall be deemed to refer to the rating category under the new rating system which most closely approximates the applicable rating category as currently in effect. In the event that any Rating is suspended or withdrawn by any Rating Agency for credit related reasons, the Commitment Fee Rate shall increase (during the period that such Rating is suspended or withdrawn) by one and one-half of one percent

(1.50%) from the Commitment Fee Rate in effect on the date of such suspension or withdrawal. Upon the occurrence and during the continuance of an Event of Default, the Commitment Fee Rate shall increase by one and one-half of one percent (1.50%) from the Commitment Fee Rate in effect on the date of such Event of Default. The Commitment Fees shall be calculated on the basis of a year of 360 days and actual number of days elapsed and shall be payable quarterly in arrears, together with interest on the Commitment Fees from the date payment is due until payment in full at the Default Rate.

Section 2.7. Requests by the District for Extension of Purchase Period. On or after the first anniversary of the Closing Date, but in any event at least one hundred eighty (180) calendar days prior to the Scheduled Expiration Date, as from time to time in effect, the District may request in writing that the Bank extend the Purchase Period for an additional period to be agreed to by the District and the Bank. Thereupon if the Bank shall determine to extend the Purchase Period, the Bank shall, within sixty (60) days of the Bank's receipt of notice of such request by the District, send written notice thereof (specifying the terms and conditions, including fees, to be applicable to such extension) to the District (and if the Bank shall send no such written notice, the Bank shall be deemed to have rejected the District's request for an extension). The District may accept the extension by written notice to the Bank, the Paying Agent/Registrar, and the Remarketing Agent within 15 days after receipt of such notice from the Bank. If the District accepts the extension (including the terms and conditions specified by the Bank as aforesaid), the Purchase Period shall be extended for the additional period agreed to by the Bank and the District; *provided, however*, that, if the terms and conditions to be applicable to such extension differ from those then in effect, such extension shall be conditioned upon the prompt preparation, execution, and delivery of documentation, satisfactory to the Bank and its counsel, incorporating and confirming the enforceability of such terms and conditions. The Purchase Period may thereafter be successively so extended pursuant to the foregoing procedure. Notwithstanding anything else herein or elsewhere to the contrary, the Bank shall have the right to accept or reject any request for extension of the Purchase Period in its sole and absolute discretion.

Section 2.8. Termination or Reduction of Commitment. (a) If the Commitment is terminated in its entirety prior to the second anniversary of the Closing Date, the District shall pay a termination fee (the "*Termination Fee*") in an amount equal to the product of (x) the Commitment Fee Rate in effect on the date of termination, (y) the Commitment on the date of termination and (z) a fraction, the numerator of which is equal to the number of days from and including the date of termination to and including the second anniversary of the Closing Date and the denominator of which is 360, unless the rating assigned to the Bank's senior unsecured short-term obligations is withdrawn, suspended or reduced below "*P-1*" (or its equivalent) by Moody's or "*A1*" (or its equivalent) by S&P. The Termination Fee, all accrued Commitment Fees, all Bank Bonds, all accrued interest thereon and all other Obligations owing to the Bank hereunder shall be payable on the effective date of such termination.

(b) Notwithstanding the foregoing and anything set forth herein to the contrary, the District agrees not to permanently reduce the Commitment prior to the second anniversary of the Closing Date, without the payment by District to the Bank of a reduction fee in connection with each and every permanent reduction of the Commitment as set forth herein in an amount equal to the product of (x) the Commitment Fee Rate in effect on the date of such reduction, (y) the

difference between the Commitment prior to such reduction and the Commitment after such reduction, and (z) a fraction, the numerator of which is equal to the number of days from and including the date of such reduction to and including the second anniversary of the Closing Date, and the denominator of which is 360.

ARTICLE III

STANDBY BOND PURCHASE COMMITMENT

Section 3.1. Commitment to Purchase Bonds. The Bank agrees, on the terms and subject to the conditions contained in this Agreement, to purchase, with immediately available funds, Tendered Bonds, for its own account, from time to time during the Purchase Period at the Purchase Price. The sum of the aggregate principal amount of Bonds (or portions thereof in denominations of \$100,000 or any integral multiple of \$5,000 in excess thereof) purchased on any Purchase Date and the Interest Component of the Purchase Price of such Purchased Bonds, shall not exceed the Available Commitment on the Purchase Date with respect to such Purchased Bonds.

Section 3.2. Method of Purchasing. (a) *Purchase of Bonds.* No later than 11:00 a.m., New York, New York time, on the Purchase Date, the Tender Agent shall give the Bank notice of the aggregate Purchase Price of the Tendered Bonds required to be purchased by the Bank pursuant to Section 3.2(b) below and the amount of such Purchase Price comprising principal and the amount of such Purchase Price comprising interest. After receipt of the notice specified in the preceding sentence of this paragraph, the Bank shall, subject to Sections 3.1 hereof and this Section 3.2(a), and unless it determines that the conditions precedent set forth in Section 8.2 by 2:00 p.m., New York, New York time, on the Purchase Date, make available such Purchase Price to the Tender Agent, in immediately available funds, to be held in the Payment Fund as described in Sections 4.01 through 4.07 of the Order.

(b) *Method of Purchase.* As soon as practicable after money becomes available, but in any event not later than 2:30 p.m., New York, New York time, on each Purchase Date, the Tender Agent is required under Article IV of the Order to purchase for the account of the Bank, at the Purchase Price, with funds previously made available to the Tender Agent pursuant to Section 3.2(a) above, that portion of the Tendered Bonds for the purchase of which immediately available funds are not otherwise then available for such purposes under Article IV of the Order. The Tender Agent shall immediately return to the Bank such funds which are not so used to purchase Tendered Bonds, in accordance with Section 4.01 of the Order. The Bonds purchased with money made available to the Tender Agent as described in Section 3.2(a) above shall constitute Purchased Bonds and shall be registered in the name of the Bank, or any nominee of the Bank, and such Purchased Bonds shall be held by the Tender Agent, as the agent of the Bank for the Bank's sole benefit.

(c) *No Liability of Bank for Remarketing Agent's or Tender Agent's Failure to Act.* The Bank shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Remarketing Agent or Tender Agent which results in the failure of the

Remarketing Agent or Tender Agent, as the case may be, (i) to credit the appropriate account with funds made available by the Bank pursuant to this Section 3.2 or (ii) to effect the purchase of Tendered Bonds for the account of the Bank with such funds pursuant to this Section.

(d) *Reimbursement of the Interest Component.* The District shall reimburse the Bank in an amount equal to the Interest Component of each Purchased Bond on the related Purchase Date.

Section 3.3. Sale of Bonds. (a) *Right to Sell Bonds.* The Bank expressly reserves the right to sell directly, and not through the Remarketing Agent, to the extent permitted by law, Purchased Bonds; *provided* that Purchased Bonds may only be sold directly by the Bank pursuant to this Section 3.3(a) subject to the limitation that the Bank must receive from the purchaser thereof a written authorization and agreement that such Purchased Bonds will not be resold, reassigned, or otherwise disposed of by such purchaser, beneficially or on the records of the District by any means other than through the Remarketing Agent. Thereafter, such Bonds and any transfer records of the District shall be noted indicating such limitation and the applicability of the provisions of this Agreement to subsequent ownership of the Bonds, including without limitation, Section 3.4 hereof. After any such resale by the Bank, the Bonds so sold shall continue to bear interest at the Applicable Rate until such Bonds are resold by the Remarketing Agent or until an election not to sell such Bonds has been made pursuant to Section 3.3(b) hereof.

(b) *Sales by Remarketing Agent.* The Bank hereby authorizes the Remarketing Agent to sell Purchased Bonds received by the Remarketing Agent pursuant to Section 3.2(b) hereof on behalf of the Bank (and any subsequent owner of the Purchased Bonds, as provided in Section 3.3(a) hereof) at a price which, together with money to be provided by the Tender Agent under the Order, will equal the Purchase Price of such Purchased Bonds minus the portion of the Interest Component paid to the Bank by the District (pursuant to Section 3.2(d) above) plus any accrued but unpaid interest on such Purchased Bonds, such interest to be calculated at the Applicable Rate. Notwithstanding the foregoing or anything else contained in this Agreement, the Bank or a subsequent purchaser shall have the right, by notice to the Remarketing Agent, to elect not to sell the Purchased Bonds or any portion thereof. From and after any such sale by the Remarketing Agent and receipt by the Tender Agent on behalf of the Bank (or any subsequent owner as provided in Section 3.3(a) hereof) of such sale price (including all accrued interest to the date of any such election not to sell the Purchased Bonds or any portion thereof) the Purchased Bonds so sold or as to which such election is made, shall cease to bear interest at the Applicable Rate and shall thereafter bear the rate of interest as provided for in the Order and in the Bonds for Bonds which are not Purchased Bonds. The Bank agrees to deliver or book-entry transfer such remarketed Purchased Bonds to the Tender Agent on the date of such purchase against the receipt of such funds.

(c) *Notice to Remarketing Agent of Receipt of Purchase Price of Purchased Bonds.* The Bank hereby agrees to provide notice to the Remarketing Agent (which may be by confirmed facsimile transmission) when it has received payment of the purchase price of Purchased Bonds that are sold pursuant to Section 3.3(b) hereof, which notice will state that the

Available Commitment has been increased by the principal amount and interest of such Bonds that have been sold and that such Purchased Bonds may be released.

Section 3.4. Rights of the Bank. Upon purchasing the Purchased Bonds, the Bank and any purchasers of Purchased Bonds shall be entitled to and, where necessary, deemed assigned, all rights and privileges accorded the Owners under the Order. Upon purchasing the Purchased Bonds, the Bank and any subsequent purchasers (upon such purchasers becoming Registered Owners of the Purchased Bonds) shall be recognized by the District as the true and lawful Owners of the Purchased Bonds, free from any claims, liens, security interests, equitable interests and other interests of the District, except as such interests might exist under the terms of the Purchased Bonds and the Order with respect to all Owners of the Bonds.

Section 3.5. Purchased Bonds to Bear Interest at Applicable Rate. (a) *Applicable Rate.* Any Bond purchased by the Bank pursuant to this Agreement shall bear interest at the Applicable Rate for the period commencing on the related Purchase Date and, subject to Section 3.3(a) hereof and the last sentence of this Section 3.5(a), continuing until the Bank (or a purchaser from the Bank pursuant to Section 3.3(a) hereof) shall no longer be the owner of such Purchased Bond, or elects not to sell such Bond pursuant to Section 3.3 hereof. Notwithstanding the foregoing, with respect to any Bonds which the Bank (or any purchaser from the Bank pursuant to Section 3.3(a) hereof) so elects not to sell pursuant to Section 3.3(b) hereof, the interest rate applicable to such Bonds for the period commencing on the day the Bank or any purchaser from the Bank pursuant to Section 3.3(a) hereof so elects not to sell such Bonds and ending on such date on which the Bank or any purchaser from the Bank pursuant to Section 3.3(a) hereof shall cease to be the holder of such Bonds shall be equal at any time during such period to the interest rate as provided for in the Order applicable to Bonds which are not Purchased Bonds. Except as provided in Section 7.3 hereof, interest on Purchased Bonds shall be due and payable on the first day of each quarter, upon prepayment or redemption, upon remarketing of each Purchase Bond and at maturity.

(b) *Special Mandatory Redemption.* Purchased Bonds are subject to special mandatory redemption as provided in Section 5.04 of the Order.

ARTICLE IV

SECURITY

Section 4.1. Security for Obligations. The Obligations are a general obligation of the District payable from and secured solely by the funds pledged therefor pursuant to the Order, and this Agreement, as authorized thereby. All Obligations and all principal of, redemption premium, if any, and interest on the Bonds (including, without limitation, the principal of and interest on the Purchased Bonds at the Applicable Rate) are payable from the Debt Service Tax on all taxable property assessable for such purposes by the District and such amounts are and have been unconditionally pledged under the terms of the Order to the payment of the Obligations and of the principal of, redemption premium, if any, and interest on the Bonds

(including, without limitation, the principal of and interest on the Purchased Bonds at the Applicable Rate) (the “*Collateral*”).

Section 4.2. Remarketing of Purchased Bonds. If the Remarketing Agent has received immediately available funds which the Tender Agent is required to promptly pay over to the Bank in an amount sufficient to pay the Purchase Price of such Purchased Bonds, the Remarketing Agent may remarket such Bonds pursuant to the terms of the Order and the Remarketing Agreement. Upon receipt of an amount equal to the principal of plus accrued interest on such Purchased Bonds by the Tender Agent for payment to the Bank as aforesaid, the Tender Agent shall be automatically authorized to deliver such Purchased Bonds to the Remarketing Agent as aforesaid.

ARTICLE V

REPRESENTATIONS AND WARRANTIES OF THE DISTRICT

In order to induce the Bank to enter into this Agreement, the District represents and warrants to the Bank as follows:

Section 5.1. Existence and Power. (a) The District is an independent school district duly created, organized and validly existing under the laws of the State of Texas and has the full legal right, power, and authority to (i) own its properties and to carry on its business as now being and hereafter proposed to be conducted and (ii) levy *ad valorem* taxes, without legal limit as to rate or amount, in each year in which Bonds, the Purchased Bonds or the Obligations are Outstanding on the non-exempt property that is subject to assessment by the District in amounts sufficient to make payments of principal and interest on the Bonds, the Purchased Bonds or the Obligations, in addition to all other outstanding bonds or obligations of the District.

(b) The District has all requisite power and authority to execute and deliver and to perform all of its obligations under this Agreement and the other Bond Documents. The execution, delivery, and performance by the District of this Agreement, and the other Bond Documents to which it is a party, have been duly authorized by all necessary action of the Board of the District.

Section 5.2. No Conflict as to Law or Agreements. Neither the execution, delivery, and performance of this Agreement, or the other Bond Documents to which the District is a party, nor the consummation of the transactions contemplated hereby and thereby, will result in any violation of any law, rule, regulation, order, or judgment applicable to the District or any material agreement or contractual restriction binding on or affecting the District or any of its material properties or result in the breach of any of the terms, conditions, or provisions of, or constitute a default under, or result in the creation or imposition of any lien upon any property or assets of the District pursuant to any contract or agreement (other than this Agreement, or such other Bond Documents) to which the District is a party, or by which it may be bound.

Section 5.3. Legal, Valid, and Binding Obligations. Assuming due authorization, execution, and delivery by the other parties thereto, this Agreement and the other Bond Documents to which the District is a party are the legal, valid, and binding obligations and agreements of the District, enforceable against the District in accordance with their respective terms, subject to the application by a court of general principles of equity and to the effect of any applicable bankruptcy, insolvency, reorganization, moratorium, or similar law affecting creditors rights generally.

Section 5.4. No Further Consent or Approval. The execution, delivery and performance of this Agreement are not subject to any approval, authorization, notice, filing, or consent which has not been obtained or made of any federal, state, or local governmental authority or court, and all such approvals, authorizations, notices, filings, or consents which have been obtained or made remain in full force and effect.

Section 5.5. Litigation. There are no actions, suits, or proceedings pending or, to the knowledge of the District, threatened against or affecting the District, before any court or governmental authority or arbitrator involving the possibility of any judgment or liability that might result in a material adverse change in the operations, properties, or condition, financial or otherwise, of the District, or the validity or enforceability of this Agreement or any of the other Bond Documents, and the District has no knowledge of any default with respect to any order of any court or governmental authority or arbitrator that might result in any such change.

Section 5.6. Disclosure to Bank. To the best knowledge of the District after due review and consideration, no information, exhibit, certificate, or report furnished by the District to the Bank in connection with the negotiation of this Agreement or the other Bond Documents contains any material misstatement of fact or omits to state a material fact or any fact necessary to make the statements contained therein not misleading in light of the circumstances under which such statements were made.

Section 5.7. Financial Information. (a) The audited statement of the financial position of the District as of June 30, 2009, and the related statements of revenues and expenses, fund balances, and changes in fund balances for the year then ended, together with a copy of such auditor's reports thereon, copies of which have been delivered to the Bank, fairly present, in conformity with generally accepted auditing standards, the financial position of the District as of such date and the results of operations and changes in financial position for such year.

(b) Since June 30, 2009, there has been no material adverse change in the business, prospects, profits, properties, or condition (financial or otherwise) of the District.

Section 5.8. Official Statement. The District, acting through duly authorized officials, has duly authorized and approved the Official Statement. Except for the information regarding the Bank, the Depository Trust Company or its book-entry-only system (as to which no representation is made), (i) the Official Statement is, and any supplement shall be, and the Preliminary Official Statement was as of its date, accurate in all material respects and (ii) the Official Statement does not, any supplement shall not, and the Preliminary Official Statement did not as of its date, contain any untrue statement of a material fact or omit to state any material fact

necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. Subsequent to the respective dates as of which information is given in the Official Statement, there has not been any material adverse change in the financial position, results of operations or condition, financial or otherwise, of the District, except as described in the Official Statement.

Section 5.9. Contingent Liabilities. The District has no contingent liabilities or other contracts or commitments not previously specifically disclosed in writing, as such, to the Bank which would materially adversely affect its financial position or business prospects or its ability to pay its obligations as the same becomes due.

Section 5.10. No Defaults. The District is not in any way in breach of or in default under (a) any applicable law or administrative regulation of the State of Texas or the United States or any applicable judgment or decree or (b) the material Bond Documents or any other material loan agreement, indenture, lease, sublease, bond, note, resolution, agreement, or other instrument to which the District is a party or otherwise subject, and no event has occurred and is continuing which, with the passage of time or the giving of notice or both, would constitute an event of default under any such instrument except for violations, if any, which the District has disclosed to the Bank in writing and is proceeding in good faith to remove or correct.

Section 5.11. Ad Valorem Taxes; Other Obligations. All Obligations and all principal of, redemption premium, if any, and interest on the Bonds (including, without limitation, the principal of and interest on the Purchased Bonds at the Applicable Rate) are payable from the Debt Service Tax on all taxable property assessable for such purposes by the District and such amounts are and have been unconditionally pledged under the terms of the Order to the payment of the Obligations and of the principal of, redemption premium, if any, and interest on the Bonds (including, without limitation, the principal of and interest on the Purchased Bonds at the Applicable Rate).

Section 5.12. No Immunity from Jurisdiction. The District acknowledges and covenants that it is a body corporate that may sue and be sued under Section 11.151 of the Texas Education Code. To the extent permitted by applicable law, the District further covenants that in connection with any claims arising under this Agreement, it will not claim sovereign or governmental immunity, including but not limited to, immunity from liability or immunity from suit in connection therewith.

Section 5.13. No Defaults. The District is not a party to any instrument or agreement under which the holder of any indebtedness for borrowed money under such agreement or instrument is permitted to accelerate or otherwise cause the maturity of such indebtedness to become due prior to its scheduled terms.

Section 5.14. ERISA. The District does not maintain or contribute to, and has not maintained or contributed to, any employee pension benefit plan that is subject to Title IV of the Employee Retirement Income Security Act of 1974, as amended, or that is subject to the minimum funding standards under Section 412 of the Code

Section 5.15. Pending Legislation and Decisions. There is no amendment, or to the knowledge of the District, proposed amendment to the Constitution of the State of Texas, or any state law or any administrative interpretation of any such Constitution or law, or any legislation that has passed either house of the legislature of the State of Texas or any judicial decision interpreting any of the foregoing, the effect of which will materially adversely affect the security for any of the Bonds, Purchased Bonds or the Obligations owed to the Bank hereunder or under any of the Bond Documents, or the District's ability to repay when due its obligations under this Agreement, any of the Bonds or Purchased Bonds, and the Bond Documents.

Section 5.16. Solvency. The District is, and upon the incurrence of any Obligation by the District on any date on which this representation and warrant is made will be, solvent and able to pay its debts as they become due.

Section 5.17. Maximum Interest Rate. The terms of this Agreement and the Bond Documents regarding the calculation of interest and fees do not violate any applicable usury laws.

Section 5.18. Bank Obligations. The Obligations constitute "*Bank Obligations*" within the meaning of the Order.

Section 5.19. Incorporation by Reference. All representations and warranties of the District set forth in the Bond Documents are incorporated herein by reference as if fully set forth herein in their entirety. No amendment to such representations and warranties or definitions made pursuant to the relevant Bond Documents shall be effective to amend such representations or warranties incorporated by reference herein without the prior written consent of the Bank.

ARTICLE VI

COVENANTS

So long as the any payment obligation remains outstanding under this Agreement, the District shall comply with the following requirements, unless the Bank shall otherwise consent in writing.

Section 6.1. Affirmative Covenants. The District covenants and agrees, from the date hereof and until the Scheduled Expiration Date and the payment in full of all Purchased Bonds and Obligations, unless the Bank shall otherwise consent in writing:

(a) *Compliance with Laws, etc.* The District shall comply with all material applicable laws, rules, regulations, and orders of any governmental authority (including, without limitation, compliance with state securities and blue sky laws in connection with the offering, sale, and delivery of the Bonds).

(b) *Use of Proceeds.* The District shall use the proceeds of (a) the Bonds solely in accordance with the purposes set forth in the Order and (b) money advanced by the Bank hereunder solely to pay the Purchase Price of Tendered Bonds.

(c) *Accuracy of Information.* All data, certificates, reports, financial statements, opinions of counsel, documents, and other information furnished to the Bank, whether pursuant to this Agreement, or in connection with or pursuant to any amendment or modification of or waiver under, this Agreement, shall at the time that same are so furnished, (i) be complete and correct in all material respects to the extent necessary to give the Bank true and accurate knowledge of the subject matter thereof and (ii) not contain any untrue statements of a material fact or omit to state a material fact necessary in order to make the statements contained therein not misleading, and the furnishing of same to the Bank shall constitute a representation and warranty by the District to that effect.

(d) *Additional Documents.* The District shall furnish to the Bank from time to time, at the District's expense, all further instruments and documents, duly executed and delivered by the District, and take all further action that may be reasonably necessary, or that the Bank may reasonably request, in order to (i) perfect and protect any security interest or other right or interest assigned to the Bank under or in connection with this Agreement, the Order or any other Bond Document or (ii) enable the Bank to exercise or enforce its rights or remedies under or in connection with this Agreement, the Order or any other Bond Document.

(e) *Financial and Other Reports.* The District shall furnish the following reports to, the Bank:

(i) As soon as available and in any event within 270 days after the end of each fiscal year of the District, a balance sheet of the District as of the end of such fiscal year and a statement of income, a statement of equity and a statement of changes in financial position of the District for such fiscal year, setting forth in each case in comparative form the figures for the previous fiscal year of the District, accompanied by an opinion of independent certified public accountants satisfactory to the Bank, which opinion shall state that based on an audit using generally accepted auditing standards applicable to the District, such balance sheet and financial statements were prepared in accordance with generally accepted accounting principles and fairly present the financial condition and results of operations of the District;

(ii) A copy of each annual report (which shall include the District's audited annual financial statement) and any material event notice, as provided to NRMSIRS, the MSRB, or any SID (each defined in the Order) pursuant to the District's continuing disclosure undertakings made in compliance with the Rule (as defined in the Order) in connection with the issuance of Bonds;

(iii) Simultaneously with the delivery of each set of financial statements referred to in clause (i) above, and forthwith upon the occurrence of any Default, a certificate of the chief financial officer or the chief accounting officer of the District, stating whether there exists on the date of such certificate any Default and, if any Default then exists, setting forth the details thereof and the action which the District is taking or proposes to take with respect thereto;

(iv) In connection with a defeasance of any or all of the Bonds undertaken pursuant to Section 12.01 of the Order, the District shall provide the Bank with (A) an opinion of bond counsel to the effect that such Bonds have been properly defeased and that such defeasance will not have an adverse effect on the exclusion from gross income for federal income tax purposes of the interest payable on such defeased Bonds; and (B) a report of a nationally recognized firm of independent certified public accountants verifying the sufficiency of the deposit of cash and/or securities to provide for the timely payment of the principal of redemption premium, if any, and interest on such defeased Bonds to the date of their Maturity or prior redemption; and

(v) From time to time such additional information regarding the financial position or business of the District as the Bank may reasonably request.

(f) *Defaults.* The District will promptly notify the Bank of the occurrence of any Default, Event of Default, Suspension Event or Event of Termination as defined in Sections 7.1, 7.2, 7.3, 7.4 and 7.5, respectively, hereof specifying the details of such Default, Event of Default or Event of Termination and the action that the District proposes to take with respect thereto.

(g) *Books, Records.* The District will permit, during normal business hours and from time to time, upon reasonable prior notice, the Bank or any of its agents or representatives to examine and make copies of and abstracts from the records and books of account of the District, and to discuss the affairs, finances, and accounts of the District with any representative or any other appropriate officer of the Bank or the District's independent public accountants.

(h) *Other Obligations.* The District will comply with and observe all other obligations and requirements set forth in the Order and each other Bond Document to which it is a party (including without limitation all provisions therein for the benefit of the Bank) and in all statutes and regulations binding upon it relating to the Bonds, this Agreement or any of the other Bond Documents.

(i) *Activities of District.* The District will preserve, renew, and maintain all licenses, approvals, authorizations, permits, rights, privileges, and franchises necessary or desirable in the normal conduct of its affairs.

(j) *Litigation.* The District shall promptly notify the Bank of (i) the existence and status of any litigation which individually or in the aggregate could, in the event of

an unfavorable outcome, have a material adverse effect on (A) the financial condition or operations of the District, (B) the Bonds, (C) the District's ability to pay and perform the Obligations, (D) its ability to levy or collect *ad valorem* taxes, or (E) the enforceability or validity of the Bond Documents, or (ii) any change in any material fact or circumstance represented or warranted in this Agreement or in any of the Bond Documents.

(k) *Documents Related to Other Securities.* As soon as practicable but in any event within 10 days after the issuance of any securities of which it is the issuer or which are issued for its direct benefit, and which are payable from the Debt Service Tax, the District will furnish to the Bank copies of any prospectus, official statement, offering circular, or placement memorandum, and any supplements thereto, that the District makes available in connection with the offering for sale of any securities of which it is the issuer or which are issued for its direct benefit.

(l) *Remarketing.* The District will use its best efforts to cause the Remarketing Agent to remarket any Bonds purchased with the proceeds of monies available under this Agreement for such purposes as soon as possible and to use the proceeds of such remarketing immediately to purchase the Bonds purchased with the proceeds of such money from the Bank or its designee.

(m) *Obligations under Bond Documents.* The District shall take all actions, as may be reasonably requested by the Bank, to enforce the obligations under the Bond Documents of each of the other parties thereto.

(n) *Event of Downgrade.* The District shall maintain long-term ratings on all of its Bonded Debt (without regard to credit enhancement) equal to or greater than "BBB."

(o) *Selection of Bonds for Redemption.* The District shall select, or cause to be selected, for redemption any and all Purchased Bonds prior to selecting, or causing to be selected for redemption any Bonds that are not Purchased Bonds.

(p) *Notices of Certain Events.* Promptly notify the Bank: (a) of the occurrence of (i) any matter that has resulted or could reasonably be expected to result in a Material Adverse Effect, including breach or non-performance of, or any default under, a contractual obligation of the District other than a Default, Event of Default, Suspension Event or Event of Termination; or of any material change in accounting policies or financial reporting practices by the District, (b) of any proposed waiver, amendment or modification of the Bond Documents, and (c) of any change in any Ratings. Each notice pursuant to this Section 6.1(p) shall be accompanied by a statement of a responsible officer of the District setting forth details of the occurrence referred to therein and stating what action the District has taken and proposes to take with respect thereto. Each notice pursuant to Section 6.1(f) shall describe with particularity any and all provisions of the Bond Documents, this Agreement and any other Related Document that have been breached.

(q) *Credit Facilities.* In the event that the District has or shall, directly or indirectly, enter into or otherwise consent to any credit agreement, bond purchase agreement, liquidity agreement or other agreement or instrument (or any amendment, supplement or modification thereto) (each such agreement referred to herein as a “*Bank Agreement*”) under which, directly or indirectly, any Person or Persons undertakes to make or provide funds to purchase Bonds or other securities of the District, which such Bank Agreement (or amendment thereto) provides such Person with more restrictive covenants, greater rights and remedies and/or a shorter amortization period for Purchased Bonds, advances under a letter of credit or similar advances under any such Bank Agreement than are provided to the Bank in this Agreement, provide the Bank with a copy of each such Bank Agreement (or amendment thereto) and such more restrictive covenants, greater rights and remedies and/or such shorter amortization period shall automatically be deemed to be incorporated into this Agreement for so long as those provisions of such other Bank Agreement remain in effect and the Bank shall have the benefits of such more restrictive covenants, such greater rights and remedies and/or such shorter amortization period as if specifically set forth herein for so long as those provisions of such other agreement remain in effect. Upon the request of the Bank, the District shall promptly enter into an amendment to this Agreement to include such more restrictive covenants, greater rights or remedies and/or such shorter amortization period for so long as those provisions of such other agreement remain in effect (provided that the Bank shall maintain the benefit of such more restrictive covenants, greater rights and remedies and/or such shorter amortization period even if the District fails to provide such amendment). Notwithstanding the foregoing, (i) any events of default incorporated herein from any Bank Agreement pursuant to this Section 6.1(q), the remedy for which is directing a mandatory tender of Bonds under the Bank Agreement, notwithstanding anything to the contrary set forth in such agreement (or amendment thereto), the obligation of the Bank to purchase Bonds shall terminate on the fifteenth (15th) Business Day in accordance with Section 7.1 hereof, (ii) any additional or more restrictive events of default under any Bank Agreement the remedy for which is an immediate termination or suspension of the obligations of the related liquidity provider shall only be added to this Agreement by amendment to this Agreement as set forth above and upon confirmation from rating agencies then rating the Bonds that the rating on the Bonds will not be withdrawn or reduced as a result of the addition of such event of default; *provided, however,* that prior to or on the effective date of such amendment adding events of default the remedy for which is an immediate termination or suspension of the obligations of the Bank hereunder, the Bank shall give at least ten (10) days prior written notice to the Tender Agent and the Bonds shall be subject to mandatory tender as set forth in the Order, and (iii) any additional conditions precedent to purchase under any other Bank Agreement shall only be incorporated by reference upon confirmation from the rating agencies then rating the Bonds that the rating on the Bonds will not be withdrawn or reduced as a result of such incorporation.

(r) *Incorporation by Reference.* (a) From and after the date hereof and so long as this Agreement is in effect or any Obligation remains outstanding hereunder, except to the extent compliance in any case or cases is waived in writing by the Bank, the District agrees that it will for the benefit of the Bank, perform and comply with, abide by,

and be restricted by each and every agreement, covenant, obligation and undertaking contained in the Bond Documents to which it is a party, subject in each case to the cure periods, materiality standards and exceptions set forth in the Bond Documents, which agreements, covenants, obligations and undertakings together with the related definitions, exhibits and ancillary provisions and cure provisions, materiality standards and exceptions applicable thereto, are incorporated herein by reference, *mutatis mutandis*, and made a part hereof to the same extent and with the same force and effect as if the same had been herein set forth in their entirety. The District shall not amend, supplement or otherwise modify (or permit any of the foregoing), or request or agree to any consent or waiver under, or effect or permit the cancellation, acceleration or termination of, or (except as otherwise permitted under the Bond Documents) release or permit the release of any collateral held or pledged under, any of the Bond Documents (including the Indenture) without the prior written consent of the Bank.

(s) *Swap Termination Payments.* In no event shall (i) any Lien on the Collateral securing any swap termination payments be first in priority to or *pari passu* with the Lien granted in support of the Bonds, Purchased Bonds and the Obligations under the Order or (ii) the District grant a Lien on any Property of the District other than the Lien on the Collateral granted to secure the counterparty or any related party to any Swap Contract.

(t) *Waiver of Sovereign Immunity.* The District represents, warrants, covenants and agrees to waive any current or future right to sovereign immunity and agrees that it is and shall be subject to claims, suits, and legal process in connection with this Agreement and the Bond Documents and the transactions contemplated hereby and thereby

Section 6.2. Negative Covenants. The District covenants and agrees, from the date hereof and until the Scheduled Expiration Date and the payment in full of all Purchased Bonds and Obligations, unless the Bank shall otherwise consent in writing:

(a) *Amendments to Bond Documents.* The District shall not enter into or consent to any amendments of or supplements to the Order or any Bond Documents or any waiver of the requirements thereof, that (i) will adversely affect the legality, validity, or enforceability of the Order or any of the other Bond Documents or any of the rights or remedies of the Bank thereunder; or (ii) will otherwise have a material adverse effect on the rights, powers, privileges, or obligations of the Bank under any Bond Document.

(b) *Merger, Disposition of Assets.* The District shall not consolidate or merge with or into any Person or sell, lease, or otherwise transfer or assign all or substantially all of its assets to any Person nor shall the District take any action or fail to take any action that would diminish or terminate its ability to levy ad valorem taxes, if any of such actions or failures to act on the part of the District could reasonably be expected to, or does, result in a failure to pay the principal of, redemption premium, if any, or interest on the Bonds or any of the District's other Obligations under this Agreement.

(c) *Total Outstanding Bonds.* At no time shall the District permit the sum of (i) the aggregate principal amount of Bonds Outstanding minus the aggregate principal amount of Purchased Bonds, and (ii) the amount equal to 270 days of interest on such Bonds at 8% per annum, calculated on the basis of a 360-day year, to exceed the total Available Commitment.

(d) *Preservation of Corporate Existence, etc.* Except as may be permitted under subsection (b) of this Section 6.2, the District shall take no action to terminate its existence as a body politic and corporate of the State of Texas, or its rights and privileges in the State of Texas.

(e) *Exempt Status.* The District shall not take any action or omit to take any action that, if taken or omitted, would adversely affect the excludability of interest on the Bonds from the gross income of the holders thereof for purposes of federal income taxation.

(f) *Remarketing Agent.* The District will not permit or consent to the replacement of the Remarketing Agent nor consent to the amendment, supplement, unscheduled termination, or replacement of the Remarketing Agreement without the prior written consent of the Bank.

(g) *Investment Practices.* The District shall invest its funds only as authorized by the laws of the State of Texas.

(h) *Conversion of Bonds.* Except as provided in Section 3.04 of the Order, the District will not consent to or permit any conversion of interest payable on the Bonds to the Fixed Rate or Term Rate without (a) the prior written consent of the Bank, (b) a firm underwriting commitment in effect from an investment banking firm with respect to all Bonds Outstanding, or (c) an election by the Bank to retain ownership of Purchased Bonds.

(i) *Successor Remarketing Agent.* Appoint or permit the appointment of a successor Remarketing Agent, Paying Agent or Tender Agent. The District shall at all times maintain a Remarketing Agent, Paying Agent and a Tender Agent under the Order. If the Remarketing Agent fails to remarket Bonds for thirty (30) consecutive days, then the District agrees, at the written request of the Bank, to cause the Remarketing Agent to be replaced with a Remarketing Agent reasonably satisfactory to the Bank in accordance with the terms of the Remarketing Agreement. Any remarketing agreement with a successor Remarketing Agent shall provide that (a) such remarketing agent may resign upon at least sixty (60) days prior written notice to the Authority, the Trustee, the Bank and the Corporation, (b) such remarketing agent shall use its best efforts to remarket the Bonds without regard to the Applicable Rate (*i.e.*, whether or not the rate to be borne by the Bonds is less than the Applicable Rate) and (c) such remarketing agent shall be obligated to offer the Bonds for remarketing up to the maximum rate permitted under the Bond Documents.

ARTICLE VII

EVENTS OF DEFAULT

Section 7.1. Events of Default. If one or more of the following events shall have occurred and be continuing, each such event shall be an “*Event of Default*”:

(a) the principal or interest on the Bonds (including, without limitation, the principal of and interest on Purchased Bonds at the Applicable Rate) shall not be paid when same has become due and payable; or

(b) the District shall fail to pay, within five Business Days after written demand by the Bank, any other amount payable under this Agreement not referred to in clause (a) above; or

(c) any representation, warranty, certification, or statement made by the District in this Agreement or in any of the Bond Documents or in any certificate, financial statement, or other document delivered pursuant to this Agreement or any of the Bond Documents shall (in any such case) have been incorrect or untrue in any materially adverse respect when made or deemed to have been made; or

(d) the District shall default in the due performance or observance of any term, covenant, or agreement contained in Section 6.1(b), 6.1(n), or 6.2 hereof; or

(e) the District shall default in the due performance or observance of any term, covenant, or agreement contained in Section 6.1 hereof (other than those covered by clauses (a), (b), (c) and (d) of this Section) and such default, if capable of being remedied, shall remain unremedied for 30 days after written notice thereof shall have been given to the District by the Bank; *provided, however*, that so long as the District shall be proceeding with due diligence to remedy any default in the due performance or observance of such covenants which, if begun and prosecuted with due diligence, cannot be completed within a period of 30 days, then such 30-day period shall be extended to the extent as shall be necessary to enable the District to begin and complete the remedying of such default through the exercise of due diligence; *provided further, however*, that in no event shall such period be extended by more than 60 days; or

(f) (i) this Agreement, the Order, or any material provision hereof or thereof at any time after its execution and delivery, or any Bond shall, for any reason, cease to be valid and binding on the District or in full force and effect or shall be declared to be null and void, or any pledge or security interest created by the Order or this Agreement to secure any amount due under this Agreement shall fail to be fully enforceable with the priority required under this Agreement and the Order, or (ii) the validity or enforceability of this Agreement, the Order or any Bond shall be contested (x) by the District or (y) by any governmental agency or authority having jurisdiction over the District, unless, with respect to clause (y) above, the same is being contested by the District in good faith and

by appropriate proceedings; or the District shall deny that it has any further liability or obligations under this Agreement, the Order or any Bond; or

(g) the District shall default in the due performance or observance of any term, covenant, or agreement contained in any of the Bond Documents and same shall not have been cured within any applicable cure period or any “*event of default*” shall occur under any of the Bond Documents; or

(h) the District shall fail to pay when due and payable (whether by scheduled maturity, required prepayment, demand, or otherwise) any Bonded Debt of the District, or any interest or premium thereon, and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, contract, or instrument providing for the creation of or concerning such Bonded Debt; or any other default under any indenture, contract or instrument providing for the creation of or concerning such Bonded Debt, or any other event, shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such default or event is to require prepayment, or permit prepayment of, such Bonded Debt; or pursuant to the provisions of any such indenture, contract, or instrument the Bonded Debt of the District shall have been or may be required to be prepaid prior to the stated maturity thereof; or

(i) the obligation of the District to levy *ad valorem* taxes to provide for the payment of the obligations and the principal of and interest on the Bonds shall at any time cease to exist or be unenforceable or the District shall so assert; or

(j) the Bond Enabling Laws are repealed, reenacted, amended, or otherwise modified (whether directly or indirectly, and including, without limitation, by legislative or judicial action), and in the event of a repeal, reenactment, amendment, or modification, such repeal, reenactment, amendment, or modification has, in the reasonable discretion of the Bank, an adverse effect on the power or authority of the District to levy taxes on all non-exempt land, improvements, and any other property assessed for tax purposes to provide for the payment of the Obligations and the principal of and interest on the Bonds and such repeal, reenactment, amendment, or modification does not otherwise provide for a source of funds available to the District sufficient, in the reasonable discretion of the Bank, to pay the Obligations and the principal and interest on the Bonds, or such repeal, reenactment, amendment, or modification otherwise has, in the reasonable discretion of the Bank, an adverse effect on the repayment of the principal of and interest on the Bonds; or

(k) any Rating Agency then rating the Bonds shall have downgraded any Bonded Debt of the District to below “A” (or its equivalent) or withdrawn its rating on any Bonded Debt of the District due to credit considerations; or

(l) an Event of Termination shall occur.

Section 7.2. Remedies upon Event of Default. Upon the occurrence of an Event of Default, the Bank may (a) by notice to the District, the Tender Agent, and the Remarketing

Agent, declare the obligation of the Bank under this Agreement to be terminated automatically on the 15th Business Day following the receipt by the Tender Agent and the Remarketing Agent of such notice (which notice shall be given by an overnight delivery service of generally recognized quality and specify the date upon which the Bank's obligation hereunder shall terminate), whereupon the obligation of the Bank under this Agreement shall automatically terminate on such 15th Business Day (it being understood that nothing in this paragraph shall affect the rights, powers, and remedies of the Bank if such Event of Default also constitutes an Event of Termination, in which case, such 15-Business Day notice shall not be required unless the Bank shall have declared the occurrence giving rise to such Event of Termination to be an Event of Default pursuant to this Section 7.1); (b) by notice to the District, advise the District that an Event of Default under this Agreement has occurred and is continuing and, furthermore, advise the District that the Bank deems that, from and after the delivery of the notice herein described, the redemption provisions of Section 7.6 hereof are applicable with respect to the Purchased Bonds; and (c) by notice to the District, the Bank may pursue any other rights or remedies under this Agreement, applicable law or otherwise, including, without limitation, the right to declare the principal of or interest on any Purchased Bond and all other Obligations hereunder to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which is hereby waived by the District, the right to demand and to receive specific performance of the obligations of the District hereunder and under the Bond Documents and to enjoin, or cause to be enjoined, violations or breaches of the covenants and obligations of the District hereunder and under the Bond Documents and/or the rights of the Bank under and in respect of this Agreement and the Bond Documents. Except as expressly provided above in this Section 7.2, presentment, demand, protest, and all other notices of any kind are hereby expressly waived.

Section 7.3. Events of Termination. If one or more of the following events shall have occurred and be continuing each such event shall be an "*Event of Termination*":

(a) the District shall fail to pay any amount of principal of or interest on any Bond or Purchased Bond when the same shall become due and payable; or

(b) (i) any provision of this Agreement or any of the other Bond Documents relating to the District's ability to make payments on the Bonds or the Purchased Bonds or to raise funds to meet such payment obligations or the pledge of and lien on the Collateral, in any case, shall at any time for any reason cease to be valid and binding or fully enforceable on the District as a result of federal or state legislative or administrative action, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the District to be null and void, invalid, or unenforceable, or (ii) the District shall contest any such provision referred to in Section 7.3(b)(i) hereof, or the District shall deny that it has any obligation to make payments on the Bonds (including Purchased Bonds) or the District shall contest any such provision, or the District shall repudiate its obligations with respect to the Bonds (including Purchased Bonds); or

(c) the District shall (A) commence a voluntary case under the federal bankruptcy laws (as now or hereafter in effect), (B) file a petition seeking to take advantage of any other law, domestic or foreign, relating to bankruptcy, insolvency,

reorganization, winding up, or composition or adjustment of debts, (C) consent to or fail to contest in a timely and appropriate manner any petition filed against it in an involuntary case under such bankruptcy or other laws, (D) apply for or consent to, or fail to contest in a timely and appropriate manner, the appointment of, or the taking of possession by, a receiver, custodian, trustee, or liquidator of itself or of a substantial part of its property, (E) admit in writing its inability to pay, or generally not be paying, its debts as they become due, (F) make a general assignment for the benefit of creditors, or (G) take any official action for the purpose of effecting any of the foregoing;

(d) a case or other proceeding shall be commenced against the District in any court of competent jurisdiction seeking (A) relief under the federal bankruptcy laws (as now or hereafter in effect) or under any other law, domestic or foreign, relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, (B) the appointment of a trustee, receiver, custodian, liquidator, or the like for the District, or for all or a substantial part of its property, or (C) the issuance of a warrant of attachment, execution, distraint or similar process against all or any substantial part of its assets, and any such case or proceeding shall continue undismissed and unstayed for a period of 60 consecutive calendar days, or an order granting the relief requested in any such case or proceeding against the District (including but not limited to an order for relief under such federal bankruptcy laws) shall be entered;

(e) a final unappealable judgment or order for the payment of money in excess of \$5,000,000 shall be rendered against the District and such judgment or order shall remain unpaid, unsatisfied or unstayed for a period of 60 days;

(f) the District shall fail to pay when due any principal of or interest on any general obligation Debt (including, in each case, without limitation, any principal or sinking fund installments), and such failure shall continue beyond any applicable period of grace specified in any underlying indenture, order, resolution or instrument providing for the creation of or concerning such Debt; or any failure to pay principal or interest on any general obligation Debt under any indenture, order, resolution or instrument providing for the creation of or concerning such Debt shall occur and shall continue after the applicable grace period, if any, specified in such agreement or instrument, if the effect of such failure to pay principal or interest on such Debt is to accelerate, or to permit the acceleration of, the maturity of such Debt;

(g) the District shall declare a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on any general obligation Debt of the District, or (ii) any Governmental Authority having appropriate jurisdiction over the District shall make a finding or ruling or shall enact or adopt legislation or issue an executive order or enter a judgment or decree which results in a debt moratorium, debt restructuring, debt adjustment or comparable extraordinary restriction on the repayment when due and payable of the principal of or interest on the Bonds, Purchased Bonds or on all indebtedness of the District; or

(h) S&P and Fitch shall have (i) assigned any general obligation Debt of the District a long-term rating below “BBB-” (S&P) and “BBB-” (Fitch), or (ii) suspended or withdrawn ratings of the Bonds or any other general obligation Debt of the District for credit related reasons.

Section 7.4. Remedies upon Event of Termination. Upon the occurrence of an Event of Termination (other than under Section 7.3(b)(ii)) (a) the obligation of the Bank under this Agreement shall immediately terminate, and (b) the Bank may pursue any other rights or remedies under this Agreement or applicable law, including, without limitation, the right to declare the principal of or interest on any Purchased Bond and all other Obligations hereunder to be immediately due and payable without presentment, demand, protest or notice of any kind, all of which is hereby waived by the District, the right to demand and to receive specific performance of the obligations of the District hereunder and under the Bond Documents and to enjoin, or cause to be enjoined, violations or breaches of the covenants and obligations of the District hereunder and under the Bond Documents and/or the rights of the Bank under and in respect of this Agreement and the Bond Documents. The Bank agrees to give the District and the Tender Agent prompt notice of the occurrence of any Event of Termination hereunder, it being understood and agreed by the parties hereto, however, that the failure to give such notice by the Bank or the failure to receive such notice by the District shall not be deemed the failure of a condition precedent to the Bank’s rights under this Article VII or under the Order following the occurrence of an Event of Termination.

Section 7.5. Events of Suspension. (a) Upon the occurrence of a Default under Section 7.3(d) hereof, the obligations of the Bank hereunder shall be suspended until the proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, the obligations of the Bank hereunder shall be reinstated and the terms of this Agreement will continue in full force and effect (unless the obligations of the Bank hereunder shall have otherwise expired or terminated in accordance with the terms hereof or there has occurred an Event of Termination) as if there had been no such suspension; and (b) upon the occurrence of an Event of Termination under Section 7.3(b)(ii) hereof, the obligations of the Bank hereunder shall be suspended from the time of the occurrence of such Event of Default, and in the event any provision of this Agreement or any other Bond Documents relating to the District’s ability to make payments on the Bonds or the Purchased Bonds or to raise funds to meet such payment obligations or the pledge of and lien on the Collateral, in any case, shall at any time for any reason cease to be valid and binding or fully enforceable on the District as a result of federal or state legislative or administrative action, or shall be declared in a final non-appealable judgment by any court having jurisdiction over the District to be null and void, invalid, or unenforceable, then the obligations of the Bank under this Agreement will terminate in accordance with Section 7.4 hereof; *provided, however*, that if such provisions are upheld in their entirety, then the Bank’s obligations under this Agreement shall be automatically reinstated and the terms of this Agreement will continue in full force and effect (unless this Agreement shall have otherwise expired or been terminated in accordance with its terms) as if there had been no such suspension. If the Event of Default which gave rise to the suspension of the obligations of the Bank hereunder has not been cured or does not cease to exist prior to the three-year anniversary of such occurrence, the obligations of the Bank hereunder shall be terminated upon written notice

from the Bank, to the District, and thereafter the Bank shall have no further obligations hereunder.

Section 7.6. Repayment Obligation. Following an Event of Default or an Event of Termination as described in Section 7.1 or 7.3 respectively, the principal on all Purchased Bonds shall be subject to special mandatory redemption as hereinafter described, *provided*, that said Purchased Bonds will be subject to payment as and to the same extent as the other Bonds subject to the Order, including the option of the District to redeem Purchased Bonds, in whole or in part, pursuant to Section 5.02 of the Order. The principal amount of and accrued interest on said Purchased Bonds shall be due and payable in substantially equal installments on each February 1 and August 1 commencing with the first such date immediately following the District's fiscal year in which such Bonds became Purchased Bonds or the termination of this Agreement, with all remaining principal of and accrued interest on such Purchased Bonds being due on the **[third]** anniversary of the date of purchase by the Bank. The Purchased Bonds shall bear interest at the Default Rate from and including the date of the first occurrence of such Event of Default or Event of Termination, as the case may be. Such interest, at the Default Rate, shall be computed on the basis of a year consisting of 360 days, composed of twelve 30-day months, and shall be payable on each principal payment date described herein based on the principal amount of Purchased Bonds Outstanding (without taking into account the principal payment being made on such date).

ARTICLE VIII

CONDITIONS PRECEDENT

Section 8.1. Conditions Precedent. The obligations of the Bank under this Agreement are subject to the conditions precedent that on or before the Closing Date, the Bank shall have received the following, each dated as of the Closing Date and in form and substance satisfactory to the Bank:

- (a) Executed copies of this Agreement and the other Bond Documents;
- (b) A copy of the Order approving the form and content of this Agreement, the performance of the District's Obligations under this Agreement, and the District's execution, delivery, and performance of its obligations under the Bond Documents to which it is a party, certified by the President of the Board (which certificate shall state that the Order is in full force and effect on the date of issuance of the Bonds and on the Closing Date);
- (c) A certificate of the District certifying the name, incumbency and true signatures of the officers of the District authorized to sign this Agreement;
- (d) An opinion of bond counsel for the District;

[(e) A favorable opinion of the Attorney General of the State of Texas as to the validity of the Bonds;]

(f) A certificate signed by a duly authorized officer of the District stating that:

(i) the representations and warranties contained in this Agreement and any other instrument or agreement executed and delivered in connection herewith are correct on and as of the Closing Date as though made on and as of such date;

(ii) no Default under this Agreement has occurred and is continuing, or would result from the District entering into this Agreement;

(iii) each of the Bond Documents remains in full force and effect on the Closing Date and no default or event of default exists under such Bond Documents; and

(iv) as of the Closing Date, all approvals, authorizations, consents, notices, and registrations with any governmental body or agency required for the District to enter into this Agreement and into any Bond Document to which it is a party or for it to engage in any transaction or perform any of its obligations under this Agreement or any Bond Document have been obtained.

(g) Evidence that (a) a CUSIP number has been obtained and reserved from S&P CUSIP Services for Purchased Bonds and (b) Purchased Bonds (and the related CUSIP Numbers) shall have been assigned a long term rating of at least “BBB-” by Fitch.

Section 8.2. Conditions. The obligation of the Bank to purchase Bonds hereunder on any date is subject to the satisfaction of the following conditions, unless waived in writing by the Bank:

(a) No Event of Termination shall have occurred and no Suspension Event shall have occurred and be continuing; and

(b) the Bank shall have timely received the Certificate for the Payment of the Principal Portion of Purchase Price as provided in Section 2.2 hereof; *provided* that if the Certificate for the Payment of the Principal Portion of Purchase Price is not received in a timely manner, the Bank will be obligated to purchase Bonds on the Business Day following receipt thereof.

ARTICLE IX

INCREASED COSTS

Section 9.1. Increased Costs. (a) If any change in or adoption of any law or regulation or any change in the interpretation thereof by any court, administrative tribunal, agency, or other governmental authority charged with the administration thereof shall either (i) impose, modify, or deem applicable any reserve, premium, deposit, or similar requirement against letters of credit issued by or assets held by, or deposits in or for the account of, the Bank or any Participating Bank or (ii) impose on the Bank or any Participating Bank any other condition regarding this Agreement, or the purchase and holding of Purchased Bonds and the result of any event referred to in clause (i) or (ii) above shall be to increase the cost to the Bank or any such Participating Bank of purchasing and holding Purchased Bonds, the Bank shall notify the District in writing of the amount of, and give a general explanation of the reason for, such increased costs (together with a description of the methodology used in the calculation thereof) and the District hereby agrees to pay to the Bank on behalf of the Bank or such Participating Bank, an amount sufficient to compensate the Bank or such Participating Bank for such increased costs. In the event any such amount is not paid by the District when due as specified in such notification (which shall be not earlier than thirty days after adoption of the District's next subsequent budget and appropriation therefor), the District further agrees to pay interest on such amount from the date due until paid at the Default Rate, such interest due and payable on demand. A certificate as to such amounts submitted to the District by the Bank shall be conclusive and binding for all purposes absent manifest error.

(b) It on or after the Closing Date, either (i) the introduction of or any change in any law or regulation or in the interpretation thereof or (ii) compliance by the Bank or any Participating Bank with any law, regulation, or guideline, or request from any central bank or other governmental authority (whether or not having the force of law), affects or would affect the amount of capital required or expected to be maintained by the Bank or any Participating Bank or any entity controlling the Bank or any Participating Bank, respectively, and the Bank or any Participating Bank determines that the amount of such capital is increased by or based upon the existence of this Agreement, then, the Bank shall notify the District in writing of the amount of such increased costs and give a general explanation of the reasons for such increased costs (together with a description of the methodology used in the calculation thereof) and the District hereby agrees to pay to the Bank on behalf of the Bank or such Participating Bank, an amount sufficient to compensate the Bank or such Participating Bank in light of such circumstances for the costs and expenses incurred by the Bank or such Participating Bank in increasing the amount of its capital as described in this paragraph, to the extent that the Bank or such Participating Bank reasonably determines such increase in capital to be allocable to the extension of credit represented by the Agreement. In the event any such amount is not paid by the District when due as specified in such notification (which shall not be earlier than 30 days after adoption of the District's next subsequent budget and appropriation therefor), the District further agrees to pay interest on such amount from the date due until paid at the Default Rate, such interest due and payable on demand. A certificate as to such amounts submitted to the District by the Bank shall be conclusive and binding for all purposes absent manifest error.

Section 9.2. Indemnification. Solely to the extent permitted by applicable law, the District hereby agrees to indemnify and hold harmless the Bank (and its directors, officers, employees, and agents) from and against any and all claims, damages, losses, liabilities, costs, or expenses (including reasonable attorneys' fees and reasonable expenses) whatsoever which the Bank may incur (or which may be claimed against the Bank by any Person whatsoever) by reason of or in connection with (a) any purchase or failure to purchase any Tendered Bonds; (b) any breach by the District of any representation, disclosure, failure to disclose, warranty, covenant, term, or condition in, or the occurrence of any default under, this Agreement, or the other Bond Documents, including all reasonable fees or expenses resulting from the settlement or defense of any claims or liabilities arising as a result of any such breach or default; and (c) involvement of the Bank in any legal suit, investigation, proceeding, inquiry, or action as a consequence, direct or indirect, of the Bank's buying any Tendered Bonds or entering into this Agreement or any other event or transaction contemplated by any of the foregoing; *provided, however,* that the District shall not be required to indemnify the Bank for any claims, damages, losses, liabilities, costs, or expenses to the extent, but only to the extent, caused by (i) the willful misconduct or negligence of the Bank or (ii) the Bank's willful or negligent failure to make any purchase under this Agreement or purchase any Tendered Bonds after the presentation to it by the Tender Agent of a certificate strictly complying with the terms and conditions of this Agreement. In the event that any claim is made or action is brought against the Bank (or any director, officer, employee, or agent of the Bank) in respect of which the District is obligated to indemnify and hold harmless the Bank under this Section, the Bank will give prompt notice to the District of such claim or action and the Bank may direct the District to assume the defense of the claim and any action brought thereon and to pay all reasonable expenses incurred therein, or the Bank may assume the defense of any such claim or action, the reasonable costs of which shall be paid by the District. Nothing in this Section 9.2 is intended to limit any of the District's reimbursement or payment obligations contained in this Agreement. The obligations of the District under this Section 9.2 hereof shall survive the termination of this Agreement.

ARTICLE X

MISCELLANEOUS

Section 10.1. Notices. Any notice required or permitted to be given under or in connection with this Agreement or any other Bond Document shall be in writing and shall be sent by overnight air courier, mailed by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid, or sent by telex, telegram, confirmed facsimile, or other similar form of rapid transmission confirmed by mailing (by first-class mail, registered or certified, return receipt requested, or express mail, postage prepaid) written confirmation at substantially the same time as such rapid transmission, or personally delivered to an officer of the receiving party. All such communications shall be mailed, sent, or delivered,

If to the District:

Denton Independent School District
1307 Locust
Denton, Texas 76201
Attention: Superintendent

If to the Bank:	Bank of America, N.A. 901 Main Street, 67th Floor TX1-492-67-1 Dallas, Texas 75202 Attention: Michael A. Feist Telephone: (214) 209-3217 Telecopy: (214) 209-1319
With a copy to:	Bank of America, N.A. 500 West 7th St., 2nd Floor, Unit 36 Fort Worth, Texas 76102 Attention: Glenda Beasley Telephone: (512) 397-2213 Telecopy: (866) 493-8130
If to the Paying Agent/Registrar:	JPMorgan Chase Bank, N.A. 600 Travis, 11th Floor Houston, Texas 77002 Attention: Frank W. McCreary
If to the Tender Agent:	JPMorgan Chase Bank, N.A. 600 Travis, 11th Floor Houston, Texas 77002 Attention: Frank W. McCreary
If to the Remarketing Agent:	Lehman Brothers, Inc. 745 Seventh Avenue, 3rd Floor New York, New York 10019 Attention: Municipal Money Markets Sales & Trading Desk

Any communication so addressed and mailed shall be deemed to be given when so mailed, and any notice so sent by rapid transmission shall be deemed to be given when receipt of such transmission is acknowledged, and any communication so delivered in person shall be deemed to be given when receipted for by, or actually received by, an authorized officer of the receiving party.

Section 10.2. Costs and Expenses. The District agrees to pay to the Bank on demand all reasonable costs and expenses in connection with the preparation, execution, delivery, and administration of this Agreement and any other Bond Documents which may be delivered in connection with this Agreement, including, without limitation, the reasonable fees and out-of-pocket expenses of Legal Counsel for the Bank with respect thereto and with respect to advising the Bank as to its rights and responsibilities under this Agreement and the other Bond Documents and all costs and expenses, if any, in connection with the enforcement of this

Agreement and the Bond Documents against the District, which amounts will include all court costs, attorneys' fees, fees of auditors and accountants, and investigation expenses reasonably incurred by the Bank in connection with any such matters. In addition, the District shall pay any and all stamp and other taxes and fees payable or determined to be payable in connection with the execution, delivery, filing, and recording of this Agreement and such other documents and, to the extent permitted by law, agrees to save the Bank harmless from and against any and all liabilities with respect to or resulting from any delay in paying or omission to pay such taxes and fees. The Bank agrees to present to the District a detailed accounting of all such costs, expenses, taxes, and fees incurred. In the event any such amount, other than closing costs and expenses, is not paid by the District when due as specified in any notification (which shall not be earlier than 30 days after adoption of the District's next subsequent budget and appropriation therefor), the District further agrees to pay interest on such amount from the date due until paid at the Default Rate, such interest due and payable on demand. Notwithstanding any other provision herein, the provisions of this Section shall survive the payment of the Bonds and the termination of this Agreement.

Section 10.3. Amendments and Miscellaneous Waivers. Any provision of this Agreement or the Order may be amended, modified, deleted, or waived if, but only if, such modification, deletion, or waiver is in writing and is signed by the District and the Bank, does not violate any provision of the Order and written notice is given to Fitch at least five (5) Business Days prior to the effective date of such modification, deletion, or waiver.

Section 10.4. Severability. In the event that any one or more of the provisions contained in this Agreement or any other Bond Document shall, for any reason, be held invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement or any other Bond Document.

Section 10.5. Continuing Obligation; Successors and Assigns. This Agreement is a continuing obligation and shall (i) be binding upon the District, and its successors and assigns and (ii) inure to the benefit of and be enforceable by the Bank, its successors, transferees and assigns (including without limitation any Participating Bank); *provided, however,* that the District may not assign all or any part of this Agreement without the prior written consent of the Bank. This Agreement and the covenants, restrictions, and obligations set forth, imposed, and incurred hereunder shall remain in full force and effect for so long as this Agreement is in effect or any amount is owed to the Bank under this Agreement, the Order, or any Purchased Bonds. Without prejudice to the survival of any other obligation of the District hereunder, the obligations of the District under Article IX and Section 10.2 hereof shall survive the termination of this Agreement and the payment in full of all other amounts under this Agreement.

Section 10.6. Payments and Calculation of Interest.

(a) *Method and Place of Payment.* All payments by the District, or by the Tender Agent or Remarketing Agent on behalf of the District, under this Agreement or otherwise in connection with this Agreement shall be made to the Bank by wire transfer to such account as the Bank may from time to time designate, in lawful money of the United States of America and in funds immediately available on or prior to 3:00 p.m. (New York City time) on the date such

payment is due. Any such payments received after 3:00 p.m. (New York City time) on any day will be deemed to have been received on the next succeeding Business Day.

(b) *Calculation.* The Applicable Rate shall be calculated on the basis of a year of 360 days for the actual number of days elapsed. The Default Rate of interest shall be calculated on the basis of a year of 360 days of **[twelve 30-day]** months.

Section 10.7. Business Days. In any case where the date of any payment to the Bank or the expiration of the time period hereunder occurs on a day which is not a Business Day, then such payment or expiration of such time period need not occur on such date but may be made on the next succeeding Business Day with the same force and effect as if made on the day of maturity or expiration of such period except that interest shall continue to accrue for the period after such date to the next Business Day.

Section 10.8. Waivers and Consents by District. The District, to the extent that it legally may, and any and all others who are now or may become liable for all or part of the Obligations of the District under this Agreement (all of the foregoing being referred to collectively herein as the “*Obligors*”) agree to be bound hereby jointly and severally and (a) waive and renounce any and all redemption and exemption, if any, rights and the benefit of all valuation and appraisal privileges against the indebtedness evidenced hereby or by any extension or renewal hereof; (b) waive presentment and demand for payment, notices of nonpayment and of dishonor, protest of dishonor, notice of protest, notice of intent to accelerate and notice of acceleration; (c) waive all notices in connection with the delivery and acceptance hereof and all other notices in connection with the performance, default, acceleration, or enforcement of the payment hereof except as required by this Agreement; (d) waive any and all lack of diligence and delays in the enforcement of the payment hereof; (e) agree that the liability of each of the Obligors shall be unconditional and without regard to the liability of any other Person for the payment hereof and shall not in any manner be affected by the indulgence or forbearance granted or consented to by the Bank with respect hereto; (f) consent to any and all extensions of time, renewals, waivers, or modifications that may be granted by the Bank with respect to the payment or other provisions hereof, and to the release of any security at any time given for the payment hereof, with or without substitution, and to the release of any Person or entity liable for the payment hereof; and (g) consent to the addition of any and all other makers, endorsers, guarantors, and other obligors for the payment hereof, and to the acceptance of any and all other security for the payment hereof, and agree that the addition of any such obligors or security shall not affect the liability of any of the Obligors for the payment hereof.

[Section 10.9. Governing Law; Consent to Jurisdiction. (a) This Agreement is a contract made under and shall be construed in accordance with and governed by the laws of the United States of America and the State of [Texas] without regard to the conflicts of laws provisions of such laws.]

(b) The District and the Bank agree that any action or proceeding relating in any way to this Agreement shall be brought and enforced in the courts of the United States of America located in the Northern District of the State of Texas, Dallas Division or the courts of the State of Texas in Dallas County, Texas (the “*Courts*”) and each irrevocably submits to the jurisdiction of

each such Court. The District and the Bank each recognize that, absent the foregoing sentence, the Courts might not have jurisdiction over the District in any proceeding brought in such Courts and, nonetheless, each agrees to such provisions and jurisdiction.

Section 10.10. Entire Agreement; Conflict with Order. This Agreement, and the other Bond Documents embody the entire agreement and understanding between the Bank and the District and supersede all prior agreements and understandings between such parties relating to the subject matter hereof and thereof. If any conflict exists between this Agreement and the Order, the Order shall govern.

Section 10.11. Exhibits. The exhibits attached to this Agreement are incorporated herein and shall be considered a part of this Agreement for the purposes stated herein, except that in the event of any conflict between any of the provisions of such exhibits and the provisions of this Agreement, the provisions of this Agreement shall prevail.

Section 10.12. Titles of Articles, Sections, and Subsections. All titles or headings to articles, sections, subsections, or other divisions of this Agreement or the exhibits hereto are only for the convenience of the parties and shall not be construed to have any effect or meaning with respect to the other content of such articles, sections, subsections, or other divisions, such other content being controlling as to the agreement between the parties hereto.

Section 10.13. Counterparts. This Agreement may be executed in several counterparts, and it shall not be necessary that the signatures of all parties hereto be contained on any one counterpart hereof; each counterpart shall be deemed an original, but all of which together shall constitute one and the same instrument.

Section 10.14. Participation. Notwithstanding any other provision of this Agreement, the District understands that the Bank may be entering into a participation agreement with other banks ("*Participating Banks*") and may at any time enter into other participation agreements with one or more, additional Participating Banks whereby the Bank will allocate to the Participating Banks certain percentages of the payment obligations of the District under this Agreement and the funding obligations of the Bank under this Agreement; *provided, however*, the Bank shall remain primarily liable under this Agreement. The District acknowledges, that, for the convenience of all parties, this Agreement is being entered into with the Bank only and that the District's Obligations under this Agreement are and will be undertaken for the benefit of, and as an inducement to, the Participating Banks as well as the Bank. Without limiting the foregoing, the District acknowledges that Sections 9.1 and 9.2 hereof and the indemnity of the Bank thereunder and under Section 9.2 hereof are for the benefit of the Participating Banks as if such Sections specifically referred to the Participating Banks and their participations in the payment obligations of the District and the funding and purchase obligations of the Bank, and the District agrees to make any payments required by such provisions for the account of any one or more Participating Banks to the Bank on demand of the Bank. Nothing in this Section 10.14 may be construed as relieving in any way the obligations of the Bank to the District under this Agreement.

The Bank may sell and assign its rights and delegate its responsibilities and obligations under this Agreement to an affiliate of the Bank which is at least 50% owned by the Bank or its parent company. Such an assignment and delegation shall be made only upon the execution of an assignment agreement between the assignee and the Bank pursuant to which the assignee agrees to be bound by the terms of this Agreement to the extent of the obligations of the Bank delegated to the assignee and represents and warrants that it understands that the Bank assumes no responsibility for the performance of the assumed obligations by the assignee and that the assignee has and will continue to make its own credit decisions regarding the District. Upon such an assignment and delegation and the execution of such assignment agreement by the Bank and the assignee, the District shall look solely to the assignee of the Bank for the performance of the obligations of the Bank that are delegated to the assignee by the Bank. Upon any assignment made in accordance with this Section 10.14, any reference to the "Bank" herein shall be deemed to refer to the Bank and the assignee, as their respective interests may appear.

The Bank may not assign its interest herein unless prior to such granting of participation interest or assignment the District has received written notice from all nationally recognized credit rating agencies then rating the Bonds that the ratings on such Bonds issued by such rating agencies will not be lowered or withdrawn as a result of such participation or assignment.

Section 10.15. Survival of Covenants. All covenants made by the District herein and in any document delivered pursuant hereto shall survive the delivery of this Agreement, or purchases of Purchased Bonds, any defeasance of the Bonds, and the discharge of the Order.

Section 10.16. Interest Limitation. It is expressly stipulated and agreed to be the intent of the Bank and the District at all times to comply with the applicable law governing the Highest Lawful Rate or amount of interest payable on or in connection with this Agreement and the transaction referred to herein. If the applicable law is ever judicially interpreted so as to render usurious any amount called for under the Bonds, and this Agreement, or contracted for, charged, taken, reserved, or received with respect to the transaction herein, or if any prepayment by the District results in the District having paid any interest (however denominated) in excess of that permitted by law for the actual period the Bonds are Outstanding, then it is the District's and the Bank's express intent that all excess amounts theretofore received by the Bank be credited on the principal balance of the Bonds (or if the Bonds had been or would thereby be paid in full, refunded to the District), and the provisions of the Bonds and this Agreement immediately be deemed reformed and the amounts thereafter collectible under the Bonds and this Agreement reduced, without the necessity of the execution of any new document, so as to comply with the applicable law, but so as to permit the recovery of the fullest amount otherwise called for under the Bonds and this Agreement for the actual period the Bonds are Outstanding. If at maturity or final payment of amounts due hereunder, under the Order or under the Purchased Bonds, the total amount of interest paid or accrued hereunder or thereunder is less than the total amount of interest which would have accrued if the rates of interest set forth herein had at all times been in effect then the District agrees, to the fullest extent permitted by law, to pay the Bank an amount equal to the difference between (a) the lesser of (i) the amount of interest which would have accrued in accordance with the provisions of this Agreement, the Order and the Purchased Bonds, as the case may be, if the Highest Lawful Rate had at all times been in effect or (ii) the amount of interest which would have accrued in accordance with the provisions of this

Agreement, the Order and the Purchased Bonds, as the case may be, if the rates of interest set forth herein, as if such rates had not been limited to the Highest Lawful Rate, had at all times been in effect, and (b) the amount of interest contracted for, charged, received, taken or reserved under this Agreement and the Purchased Bonds, as the case may be. In determining whether or not any interest payable under this Agreement, the Order or any Purchased Bonds exceed the highest rate permitted by law, any non-principal payment (except payments specifically stated in this Agreement, the Order or any Purchased Bonds to be "interest") shall be deemed, to the extent permitted by applicable law, to be an expense, fee, premium, or penalty rather than interest, and all sums paid or agreed to be paid to or for the account of the Bank for the use, forbearance, or detention of the credit extended by the Bank to the District hereunder shall, to the extent permitted by applicable law, be amortized, prorated, allocated, and spread throughout the full term of such credit until payment in full so that the rate or amount of interest paid on account of such credit does not exceed the usury ceiling from time to time in effect and applicable hereto. Upon the termination of this Agreement, to the extent permitted by applicable law, in consideration for the limitation of the rate of interest otherwise payable hereunder, the District shall pay to the Bank a fee equal to the amount of all unpaid Excess Interest.

Section 10.17. Term of this Agreement. This Agreement shall terminate on the first to occur of (i) the last day of the Purchase Period or (ii) 30 days following receipt of written notice from the District to the Bank and the Tender Agent stating that the District desires to terminate this Agreement; *provided, however*, that this Agreement shall not terminate in either event until all Purchased Bonds have been purchased or redeemed from the Bank and each other Purchased Bond Owner at the then principal amount thereof plus all accrued and unpaid interest thereon (including, for the period such Bonds are Purchased Bonds, at the Applicable Rate) determined in accordance with Section 3.5 hereof and all accrued and unpaid Obligations have been paid; and *provided* that notwithstanding any termination of this Agreement or any other Bond Document, the provisions of Sections 9.1, 9.2, 10.2, and this Section 10.17 shall survive payment or purchase or redemption of Bonds and the termination of this Agreement and the other Bond Documents and shall remain in full force and effect.

Section 10.18. Effective Date. Notwithstanding that this Agreement is dated _____, 2010, this Agreement shall not become effective, and neither the District nor the Bank shall have any obligations hereunder, until the Closing Date, whereupon this Agreement and all the provisions hereof shall be in full force and effect.

Section 10.19. USA PATRIOT Act Notice. The Bank hereby notifies the District that pursuant to the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)) (the "*Patriot Act*"), it is required to obtain, verify and record information that identifies the District, which information includes the name and address of the District and other information that will allow the Bank to identify the District in accordance with the Patriot Act.

Section 10.20. Assignment to Federal Reserve Bank. The Bank may assign and pledge all or any portion of the obligations owing to it to any Federal Reserve Bank or the United States Treasury as collateral security pursuant to Regulation A of the District of Governors of the Federal Reserve System and any Operating Circular issued by such Federal Reserve Bank, *provided* that any payment in respect of such assigned obligations made by the District to the

Bank in accordance with the terms of this Agreement shall satisfy the District's obligations hereunder in respect of such assigned obligation to the extent of such payment. No such assignment shall release the Bank from its obligations hereunder.

Section 10.21. Original Agreement. This Agreement amends and replaces in its entirety the Original Agreement. Reference to this specific Agreement need not be made in any agreement, document, instrument, letter, certificate, the Original Agreement itself, or any communication issued or made pursuant to or with respect to the Original Agreement, any reference to the Original Agreement being sufficient to refer to the Original Agreement as amended and restated hereby.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the date first above written.

DENTON INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

[SEAL]

BANK OF AMERICA, N.A.

By: _____

Name: _____

Title: _____

EXHIBIT A

CERTIFICATE FOR THE PAYMENT OF THE PRINCIPAL PORTION OF PURCHASE PRICE

The undersigned, a duly authorized officer of _____ (the "*Tender Agent*"), hereby certifies as follows to Bank of America, N.A. (the "*Bank*"), in accordance with the terms of the Standby Bond Purchase Agreement dated as of August __, 2010, by and between the Denton Independent School District (the "*District*") and the Bank (the "*Standby Bond Purchase Agreement*") (any capitalized term used herein and not defined shall have its respective meaning as set forth in the Standby Bond Purchase Agreement):

1. The Tender Agent is the Tender Agent under the Order and is making this drawing with respect to the payment of the Purchase Price of Bonds (other than the Bonds held by the District (herein called "*Excluded Bonds*")) tendered or deemed to be tendered to the Tender Agent in accordance with [Section _____] of the Order.

2. (a) The Bonds (other than Excluded Bonds) in the principal amount of \$ _____ are to be purchased on _____, 20__.

(b) The amount of money to be applied to pay the principal portion of the Purchase Price of such Bonds pursuant to [Section _____] of the Order is \$ _____ (which excludes the amount to be provided by the Bank).

(c) The amount of money to be applied to pay the interest portion of the Purchase Price of such Bonds pursuant to [Section _____] of the Order is \$ _____ (which excludes the amount to be provided by the Bank).

3. Demand is hereby made under the Standby Bond Purchase Agreement for the Bank to purchase \$ _____ of Tendered Bonds, which amount does not exceed the lesser of (i) the amount in paragraph (2)(a) hereof minus the amount in paragraph (2)(b) hereof or (ii) the Available Commitment.

Dated this _____.

By: _____
Name: _____
Title: _____