

COMMISSIONERS' COURT
REGULAR MEETING
JUNE 14, 1993

BE IT REMEMBERED THAT THE TITUS COUNTY COMMISSIONERS' COURT met in Regular Session on Monday, June 14th, 1993 in the Titus County Courtroom with the following members present:

ALFORD L. FLANAGAN
MIKE PRICE
MIKE FIELDS
J. W. TERRELL, JR.
THOMAS E. HOCKADAY
SHELIA D. PRICE

COUNTY JUDGE
COMMISSIONER PRECINCT 1
COMMISSIONER PRECINCT 2
COMMISSIONER PRECINCT 3
COMMISSIONER PRECINCT 4
COUNTY CLERK

ABSENT: NONE
and the following proceedings were had to wit:

PUBLIC AND COUNTY OFFICIALS ATTENDING MEETING:

JESSE MATTHEW HARRIS
PETE HAIRSTON
TIM MERIWETHER
BOB JONES

KEN BLOSKAS
CHERIE BELL
JONATHAN R. FULLER

JUNE ROACH, TAX-ASSESSOR
JOHN A. MOSS, SHERIFF

EVA LAING, JUSTICE OF THE PEACE
CARL JOHNSON, AUDITOR

IN THE MATTER OF
CONSIDERATION OF BIDS FOR TYPE A
AND TYPE B FENCING FOR HIGHWAY 49

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner Mike Price to table until the court has the opportunity to discuss and clarify specifications on a bid submitted by Tom Fleming at \$1.25 per foot. Motion carried unanimously.

IN THE MATTER OF
TITUS COUNTY, TEXAS CERTIFICATES OF
OBLIGATION, SERIES 1993 BONDS

A discussion on the proposal for the authorization and obligation of a Series 1993 Bonds for new county jail facility along with new administrative facility for jail was presented by Tim Meriwether, County Financial Manager.

Motion was made by Commissioner Mike Price and seconded by Commissioner J. W. Terrell, Jr. to approve and authorize the issuance of bonds. Motion carried unanimously. Thursday, June 17, 1993 was set as the date for bids to be opened for the issuance and insuring of obligation bonds.

Motion was made by Commissioner Mike Price and seconded by Commissioner J. W. Terrell, Jr. to accept Ameria-Trust as the paying agent. The County will incur a \$250.00 acceptance fee upon initializing this agent, and will be obligated to pay \$300.00 per year as a handling fee.

In an effort to keep county business in the county, Tim Meriwether had offered Guaranty Bank the opportunity to act as the paying agent; however they were unable to take on the account due to the complex/specialized nature of the issue.

AN ORDER AUTHORIZING THE ISSUANCE OF \$5,500,000 "TITUS COUNTY, TEXAS CERTIFICATES OF OBLIGATION, SERIES 1993"; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX ON ALL TAXABLE PROPERTY WITHIN THE COUNTY TO PAY THE INTEREST ON SAID CERTIFICATES AND TO CREATE A SINKING FUND FOR THE REDEMPTION THEREOF AND THE ASSESSMENT AND COLLECTION OF SUCH TAXES; PLEDGING THE REVENUES FROM THE COUNTY'S PARK SYSTEM; AUTHORIZING THE SALE THEREOF; AND ENACTING PROVISIONS INCIDENT AND RELATED TO THE ISSUANCE OF SAID CERTIFICATES.

WHEREAS, the Commissioners Court of Titus County, Texas has determined that certificates of obligation should be issued in accordance with the provisions of the Certificate of Obligation Act of 1971, as amended, V.T.C.A., Local Government Code, §§ 271.041, et seq.; and the Texas Bond Procedures Act, as amended, V.T.C.S. § 717k-6, et seq. for the purpose of paying contractual obligations to be incurred for (1) constructing and equipping of a new county jail facility; (2) constructing and equipping administrative offices at the new county jail facility; (3) constructing, renovating, or otherwise improving the existing county jail facility; (4) the purchase of land for the new county jail facility; and (5) professional services.

WHEREAS, notice of intention to issue said certificates of obligation has been published in the Mt. Pleasant Daily Tribune, a newspaper of general circulation in Titus County, Texas, on May 30, 1993 and June 6, 1993, respectively, the date of the first publication of such notice being before the fourteenth (14th) day prior to the tentative date stated therein for the passage of this order; and

WHEREAS, the Commissioners Court has previously adopted a declaration of intent to reimburse the County for certain expenditures from the proceeds of the certificates of obligation relating to preconstruction architectural services, and the purchase of land for the jail facility, and will expend \$200,000 for such purposes before the closing on the certificates of obligation; and

WHEREAS, the Commissioners Court intends to use part of the proceeds from the sale of the certificates of obligation to reimburse its general fund for such expenditures; and

WHEREAS, on the 14th day of June, 1993, the Commissioners Court of Titus County, Texas, convened at 9:00 a.m. and, pursuant to the published notice of intention, considered passage of an Order authorizing the issuance of said certificates of obligation; and

WHEREAS, the certificates of obligation should be sold for cash in accordance with the provisions of V.T.C.A., Local Government Code §§ 271.046, 271.050, 271.052 and 271.056, as amended; and

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

WHEREAS, this Court hereby finds and determines that the above specified portion of the certificates of obligation described in said notice should be issued at this time.

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

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.

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

"Certificate" or "Certificates" means the Certificates authorized to be issued by Section 3.01 of this Order and designated as "Titus County, Texas Certificates of Obligation, Series 1993".

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

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

"Court" means the Commissioners Court of the County.

"County" means Titus County, Texas.

"County Park System" means those properties and facilities of the County operated as parks, as administered under chapter 320, Texas Local Government Code.

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

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

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

"Interest Payment Date" when used in connection with any Certificate means the date or dates upon which interest on each Certificate is scheduled to be paid until their respective dates of maturity or prior redemption, such dates being March 1 and September 1 of each year, commencing March 1, 1994.

"Issue Date" means the dated date of the Certificates, July 1, 1993.

"Issuer" means Titus County, Texas.

"Net Revenues" means the gross revenues from the operation of the County Park System minus the payment of the necessary and reasonable expenses of operation and maintenance of the properties and facilities of the County Park System.

"1993 Construction Fund" means the construction fund established by Section 2.04 of this Order.

"1993 Interest and Sinking Fund" means the interest and sinking fund established by Section 2.03 of this Order.

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

"Paying Agent/Registrar" means initially Ameritrust Texas, N.A., Houston, Texas, or any successor thereto as provided in this Order.

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

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

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

Section 1.02. Findings.

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

Section 1.03. Titles and Headings.

The titles and headings of the Articles and Sections of this Order have been inserted for convenience of reference only and are

not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Order or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.04. Interpretation.

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

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

ARTICLE II

SECURITY FOR THE CERTIFICATES
CREATION OF FUNDS

Section 2.01. Tax Levy for Payment of Certificates.

Pursuant to the authority granted by the Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and each succeeding year thereafter while the Certificates or any interest thereon is outstanding and unpaid, an ad valorem tax within legal limitations on each \$100 valuation of taxable property in the County, at a rate sufficient within the limit prescribed by law to pay the debt service requirements on the Certificates, being (i) the interest on the Certificates and (ii) a sinking fund for their payment at maturity or a sinking fund of two percent (2%) per annum (whichever amount is the greater), when due and payable, full allowance being made for delinquencies and costs of collection; said tax shall be assessed and collected each year and applied to the payment of the debt service requirements, and the same shall not be diverted to any other purpose. The taxes so levied and collected shall be paid into the 1993 Interest and Sinking Fund. This governing body hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the debt service requirements, it having been determined that the existing and available taxing authority of the County for such purpose is adequate to permit a legally sufficient tax in consideration of all other outstanding obligations.

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

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

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

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

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

Section 2.02 Revenue Pledge.

(a) The Certificates are additionally secured by and shall be payable from a limited pledge of the Net Revenues of the County Park System, not to exceed \$1,000 per year. Notwithstanding the requirements of Section 2.01, if Net Revenues are actually on deposit in the 1993 Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would be required to be levied pursuant to Section 2.01 may be reduced to the extent and by the amount of the Net Revenues then on deposit in the 1993 Interest and Sinking Fund.

(b) The Net Revenues, not to exceed \$1,000 per year, when and as received by the County, are hereby pledged to the payment of the Certificates and shall be deposited into the 1993 Interest and Sinking Fund.

Section 2.03. Interest and Sinking Fund.

(a) The County hereby establishes a special fund or account to be designated the "Titus County, Texas Certificates of Obligation, Series 1993, Interest and Sinking Fund" (the "1993 Interest and Sinking Fund") with said fund to be maintained at an

official depository bank of the County separate and apart from all other funds and accounts of the County.

(b) Money on deposit in or required by this Order to be deposited to the 1993 Interest and Sinking Fund shall be used solely for the purpose of paying the interest on, redemption premium, if any, and principal of the Certificates when and as due and payable in accordance with their terms and this Order.

Section 2.04. Construction Fund.

(a) Establishment of Construction Fund. A special fund or account, to be designated the Titus County, Texas Certificates of Obligation, Series 1993 Construction Fund (the "1993 Construction Fund") is hereby created and shall be established and maintained by the County at the official County depository. The 1993 Construction Fund shall be kept separate and apart from all other funds and accounts of the County. The proceeds from the sale of the Certificates shall be deposited in the 1993 Construction Fund and payments therefrom shall be made as provided below.

(b) Payments from Construction Fund. Payments from the 1993 Construction Fund shall be made as follows:

(A) There shall be immediately deposited to the 1993 Interest and Sinking Fund the accrued interest on the Certificates to the date of delivery.

(B) The remainder in the 1993 Construction Fund shall be used solely for the purpose of paying contractual obligations to be incurred for (1) constructing and equipping of a new county jail facility; (2) constructing and equipping administrative offices at the new county jail facility; (3) constructing, renovating, or otherwise improving the existing county jail facility; (4) the purchase of land for the new county jail facility; and (5) professional services.

(c) Surplus Construction Funds. Any moneys remaining in the 1993 Construction Fund after completion of the entirety of the contractual obligations authorized hereby shall be deposited into the 1993 Interest and Sinking Fund.

Section 2.05. Security of Funds.

All moneys on deposit in the 1993 Interest and Sinking Fund and the 1993 Construction Fund for which this Order makes provision (except any portion thereof as may be at any time properly invested) shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of County funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Order.

Section 2.06. Appropriations.

In the event the first payment of principal or interest comes due on the Certificates before the tax can be levied and collected to pay such payment, the County hereby covenants to appropriate an amount sufficient to make such payment, to be pledged and dedicated exclusively to the payment thereof unless and until it is determined that such amount is no longer needed for the purposes specified herein.

ARTICLE III

**AUTHORIZATION: GENERAL TERMS AND PROVISIONS
REGARDING THE CERTIFICATES**

Section 3.01. Authorization.

The County's Certificates of Obligation to be designated "Titus County, Texas Certificates of Obligation, Series 1993" (the "Certificates"), are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas. The Certificates shall be issued in the aggregate principal amount of \$5,500,000 for the purpose of paying contractual obligations to be incurred for (1) constructing and equipping of a new county jail facility; (2) constructing and equipping administrative offices at the new county jail facility; (3) constructing, renovating, or otherwise improving the existing county jail facility; (4) the purchase of external communications equipment; and (5) professional services.

Section 3.02: Fully Registered Interest Paying/Non-Interest Paying Obligations - Term.

The Certificates shall be issued as fully registered obligations, without coupons.

The Certificates (other than the Initial Certificate referenced in Section 3.04(d) hereof) shall be in denominations of \$5,000 or any integral multiple (within a Stated Maturity) thereof, shall be lettered "R" and numbered consecutively from One (1) upward, and principal shall become due and payable on March 1 in each of the years and in amounts (the "Stated Maturities") and bear interest at the rate(s) per annum in accordance with the following schedule:

| <u>Stated Maturity</u> | <u>Principal Amount</u> |
|------------------------|-------------------------|
| 1994 | \$250,000 |
| 1995 | 265,000 |
| 1996 | 280,000 |
| 1997 | 295,000 |
| 1998 | 310,000 |
| 1999 | 325,000 |
| 2000 | 340,000 |
| 2001 | 360,000 |
| 2002 | 375,000 |
| 2003 | 395,000 |
| 2004 | 415,000 |
| 2005 | 435,000 |
| 2006 | 460,000 |
| 2007 | 485,000 |
| 2008 | 510,000 |

The Certificates shall bear interest on the unpaid principal amounts from the Issue Date at the rate(s) per annum to be determined when the Certificates are sold (but in no event shall the Certificates bear interest at a net effective rate in excess of 15% per annum calculated in the manner required by Article 717k-2, Tex. Rev. Civ. Stat. as amended) interest shall be calculated on the basis of a 360-day year of twelve 30-day months. Interest on the Certificates shall be payable on March 1 and September 1 in each year, commencing March 1, 1994.

Section 3.03. Medium, Method and Place of Payment.

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

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

of business on the last business day preceding the date of mailing of such notice.

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

(d) The principal of and premium of, if any, each Certificate shall be paid to the Owner thereof on the Stated Maturity Date or the date of prior redemption thereof upon presentation and surrender of such Certificate at the principal corporate trust office of the Paying Agent/Registrar.

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

Section 3.04. Control, Execution and Initial Registration.

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

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

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

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

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

Section 3.05. Ownership.

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

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

Section 3.06. Registration. Transfer and Exchange.

(a) So long as any Certificates remain outstanding, the County shall cause the Paying Agent/Registrar to keep at its

principal corporate trust office a register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Certificates in accordance with this Order.

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

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

(d) Each Certificate issued in exchange for any Certificate or portion thereof assigned, transferred or converted shall have the same principal maturity date and bear interest at the same rate

as the Certificate for which it is being exchanged. Each substitute Certificate shall bear a letter and/or number to distinguish it from each other Certificate. The Paying Agent/Registrar shall convert and exchange the Certificates as provided herein, and each substitute Certificate delivered in accordance with this Section shall constitute an original additional contractual obligation of the County and shall be entitled to the benefits and security of this Order to the same extent as the Certificate or Certificates in lieu of which such substitute Certificate is delivered.

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

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

Section 3.07. Cancellation.

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

(b) Each substitute Certificate issued in conversion of and exchange for or replacement of (pursuant to the provisions of Sections 3.06, 3.08 and 3.09 hereof) any Certificate or Certificates issued under this Order shall have printed thereon a Paying Agent/Registrar's Authentication Certificate, in the form hereinafter set forth. An authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Certificate,

manually sign and date such Authentication Certificate, and no such Certificate shall be deemed to be issued or outstanding unless such Authentication Certificate is so executed. No additional ordinances, orders, or resolutions need be passed or adopted by the Commissioners Court or any other body or person so as to accomplish the foregoing conversion and exchange or replacement of any Certificate or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Certificates in the manner prescribed herein, and said Certificates shall be of customary type and composition and be printed on paper with lithographed or steel engraved borders of customary weight and strength. Pursuant to Article 717k-6, Vernon's Texas Civil Statutes, as amended, and particularly Section 6 thereof, the duty of conversion and exchange or replacement of Certificates as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of the above Paying Agent/Registrar's Authentication Certificate, the converted and exchanged or replaced Certificates shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Certificates which were originally delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

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

Section 3.08. Temporary Certificates.

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

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

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

Section 3.09. Replacement Certificates.

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

(b) In the event that any Certificate is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Certificate has been acquired by a bona fide purchaser, shall authenticate and deliver a replacement Certificate of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

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

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

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

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

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

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

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

Section 3.10. Additional Obligations.

The County reserves the right to issue any additional obligations authorized by law and such obligations may be payable from ad valorem taxes within the limits prescribed by law. The County further reserves the right to issue any additional obligations secured by the Net Revenues on the County Park System, which may be senior to or on parity with the lien and pledge securing payment of the Certificates.

ARTICLE IV

REDEMPTION OF CERTIFICATES BEFORE MATURITY

Section 4.01. Limitation on Redemption.

The Certificates shall be subject to redemption before scheduled maturity only as provided in this Article IV.

Section 4.02. Optional Redemption.

The County reserves the option to redeem the Certificates maturing on and after March 1, 2004, in whole or in part, before their respective scheduled maturity dates, on March 1, 2003, or on any date thereafter (such redemption date or dates to be fixed) at

a price equal to the principal amount of the Certificates called for redemption plus accrued interest to the date fixed for redemption. The County, at least forty-five (45) days before the redemption date (unless a shorter period shall be satisfactory to the Paying Agent/Registrar), shall notify the Paying Agent/Registrar of such redemption date and the amounts thereof to be redeemed.

Section 4.03. Partial Redemption.

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

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

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

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

Section 4.04. Notice of Redemption to Owners.

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

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

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

Section 4.05. Payment Upon Redemption.

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

(b) Upon presentation and surrender of any Certificate called for redemption at the principal corporate trust office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of, redemption premium, if any, and accrued interest on such Certificates to the date of redemption from the money set aside for such purpose.

Section 4.06. Effect of Redemption.

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

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

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar.

(a) The County hereby appoints Ameritrust Texas, N.A., as its registrar and transfer agent to keep such books or records and make such transfers and registrations under such reasonable regulations as the County and the Paying Agent/Registrar may prescribe; and the

Paying Agent/Registrar shall make such transfers and registrations as herein provided. It shall be the duty of the Paying Agent/Registrar to obtain from the Owners and record in the Register the address of such Owner of each Certificate to which payments with respect to the Certificates shall be mailed, as provided herein. The County or its designee shall have the right to inspect the Register during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Register and other registration books and records confidential and, unless otherwise required by law, shall not permit their inspection by any other entity.

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

Section 5.02. Qualifications.

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

Section 5.03. Maintaining Paying Agent/Registrar.

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

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

Section 5.04. Termination.

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

Section 5.05. Notice of Change to Owners.

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

Section 5.06. Agreement to Perform Duties and Functions.

By accepting the appointment as Paying Agent/Registrar, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. Delivery of Records to Successor.

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

ARTICLE VI

FORM OF THE CERTIFICATES

Section 6.01. Forms Generally.

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

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

(c) The definitive Certificates shall be typed, printed, lithographed, or engraved, and may be produced by any combination

of these methods or produced in any other similar manner, all as determined by the officers executing such Certificates, as evidenced by their execution thereof.

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

Section 6.02. Form of the Certificates.

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

(a) Form of Definitive Certificates.

REGISTERED
NO. R-_____

REGISTERED PRINCIPAL
AMOUNT \$_____

UNITED STATES OF AMERICA
STATE OF TEXAS
TITUS COUNTY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 1993

Issue Date: Interest Rate: Stated Maturity: CUSIP No.:
July 1, 1993 _____ _____ _____

Registered Owner:

Principal Amount: DOLLARS

Titus County (hereinafter referred to as the "County"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on the unpaid principal amount hereof from the Issue Date at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 in each year, commencing March 1, 1994. Principal of this Certificate is payable at its Stated Maturity or redemption to the Registered Owner hereof, upon presentation and surrender, at the principal office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest is payable to the Registered

Owner of this Certificate whose name appears on the "Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

This Certificate is one of the series specified in its title issued in the aggregate principal amount of \$5,500,000 (herein referred to as the "Certificates") for the purpose of paying contractual obligations to be incurred for (1) constructing and equipping of a new county jail facility; (2) constructing and equipping administrative offices at the new county jail facility; (3) constructing, renovating, or otherwise improving the existing county jail facility; (4) the purchase of land for the new county jail facility; and (5) professional services in accordance with the Constitution and laws of the State of Texas, particularly Chapter 271, Texas Local Government Code, as amended, and pursuant to an Order adopted by the Commissioners Court of the County (herein referred to as the "Order").

The Certificates maturing on and after March 1, 2004, may be redeemed prior to their Stated Maturities, at the option of the County, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected by lot by the Paying Agent/Registrar), on March 1, 2003, or on any date thereafter, at the redemption price of par, together with accrued interest to the date of redemption and upon 30 days prior written notice being sent by United States mail, first class postage prepaid, to the Registered Owners of the Certificates to be redeemed, and subject to the terms and provisions relating thereto contained in the Order.

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

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

The Certificates are payable from the proceeds of an ad valorem tax levied, within the limits prescribed by law, upon all taxable property in the County. The Certificates are further payable from a limited pledge of the Net Revenues of the County Park System. Reference is hereby made to the Order, a copy of which is on file in the principal office of the Paying Agent/Registrar, and to all of the provisions of which the owner or holder of this Certificate by the acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied and the revenues pledged for the payment of the Certificates; the terms and conditions relating to the transfer or exchange of this Certificate; the rights, duties, and obligations of the County and the Paying Agent/Registrar; the terms and provisions upon which this Certificate may be discharged at or prior to its maturity, and deemed to be no longer outstanding thereunder; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Order.

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

The County and the Paying Agent/Registrar, and any agent of either, shall treat the Registered Owner whose name appears on the Register (i) on the Record Date as the owner entitled to payment of

interest hereon, (ii) on the date of surrender of this Certificate as the owner entitled to payment of principal at the Stated Maturity, or its redemption, in whole or in part, and (iii) on any other date as the owner for all other purposes, and neither the County nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a Certificate on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the County. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each owner of a Certificate appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice.

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

IN WITNESS WHEREOF, the County has caused this Certificate to be executed by the manual or facsimile signature of the County Judge of the County and countersigned by the manual or facsimile signature of the County Clerk, registered by the manual or facsimile signature of the County Treasurer, and the official seal of the County has been duly impressed or placed in facsimile on this Certificate.

County Judge,
Titus County, Texas

Unrecorded copy

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County Clerk
Titus County, Texas

[SEAL]

REGISTERED: .

County Treasurer
Titus County, Texas

Unrecorded copy

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(b) Form of Comptroller's Registration Certificate.

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

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

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

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

[SEAL]

Comptroller of Public Accounts
of the State of Texas

(c) Form of Certificate of Paying Agent/Registrar.

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

CERTIFICATE OF PAYING AGENT/REGISTRAR

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

Ameritrust Texas, N.A.
Houston, Texas
As Paying Agent/Registrar

Dated: _____

By: _____
Authorized Signatory

(d) Form of Assignment.

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto (please print or typewrite name, address and Zip Code of transferee): _____

(Social Security or other identifying number: _____)
the within Certificate and all rights hereunder and hereby irrevocably constitutes and appoints _____ attorney to transfer the within Certificate on the books kept for registration hereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed By: _____

Authorized Signatory

NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears on the face of the within Certificate in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers

(e) The Initial Certificate shall be in the respective form set forth therefor in paragraph (a) of this Section, except as follows:

Heading and paragraph one shall be amended to read as follows:

REGISTERED
No. T-1

\$ _____

UNITED STATES OF AMERICA
STATE OF TEXAS
TITUS COUNTY, TEXAS
CERTIFICATE OF OBLIGATION
SERIES 1993

Issue Date:

July 1, 1993

Registered Owner:

Principal Amount:

CUSIP No.: _____

DOLLARS

Witness: _____

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Titus County, Texas (hereinafter referred to as the "County"), for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the Principal Amount hereinabove stated on March 1 in the years and in principal installments in accordance with the following schedule:

| <u>YEAR OF</u> <u>MATURITY</u> | <u>PRINCIPAL</u> <u>INSTALLMENTS</u> | <u>INTEREST</u> <u>RATE</u> |
|-----------------------------------|-----------------------------------------|--------------------------------|
|-----------------------------------|-----------------------------------------|--------------------------------|

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

(of so much principal thereof as shall not have been prepaid prior to maturity) and to pay interest on the unpaid principal installments hereof from the Issue Date at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable on March 1 and September 1 in each year, commencing September 1, 1993. Principal installments of this Certificate are payable in the year of maturity or on a prepayment date to the Registered Owner hereof by Ameritrust Texas, N.A. (the "Paying Agent/Registrar"), upon presentation and surrender, at its principal offices in Houston, Texas. Interest is payable to the Registered Owner of this Certificate whose name appears on the "Register" maintained by the Paying Agent/Registrar at the close of business on the "Record Date," which is the fifteenth day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first class postage prepaid, to the address of the Registered Owner recorded in the Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. All payments of principal of, premium, if any, and interest on this Certificate shall be without exchange or collection charges to the owner hereof and in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

Section 6.03. CUSIP Registration.

The County may secure identification numbers through the CUSIP Service Bureau Division of Standard & Poor's Corporation, New York, New York, and may authorize the printing of such numbers on the face of the Certificates. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Certificates shall be of no significance or effect as regards the legality thereof and neither the County nor the attorneys approving said Certificates as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Certificates.

Section 6.04. Legal Opinion.

The approving legal opinion of Bickerstaff, Heath & Smiley, L.L.P., Bond Counsel, may be printed on the reverse side of each Certificate over the certification of the County Clerk, which may be executed in facsimile, or may be attached to each Certificate.

Section 6.05. Statement of Insurance.

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

ARTICLE VII

SALE AND DELIVERY OF CERTIFICATES.
DEPOSIT OF PROCEEDS

Section 7.01. Sale.

The sale of the Certificates shall occur on June 17, 1993 or at a later date to be determined by the Commissioners Court, such sale to be in accordance with the provisions of Article 717k-2, Tex. Rev. Civ. Stat. Ann., as amended, with respect to the interest rate or rates the Certificates are to bear and the purchase price therefor. Upon the sale of the Certificates, delivery thereof to the purchaser(s) shall occur as soon as possible upon payment being made therefor in accordance with the terms of sale.

Section 7.02. Approval of Official Statement.

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

Section 7.03. Control and Delivery of Certificates.

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

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

ARTICLE VIII

INVESTMENTS

Section 8.01. Investments.

(a) Money in the 1993 Interest and Sinking Fund and in the 1993 Construction Fund, at the option of the County, may be invested in such securities or obligations as permitted under applicable law.

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

Section 8.02. Investment Income.

Interest and income derived from investment of the 1993 Interest and Sinking Fund shall be credited to such Fund. Interest and income derived from the investment of the 1993 Construction Fund shall be credited to such Fund and used for the purposes set out in Section 3.01; provided, however, that such interest earnings may be deposited into the 1993 Interest and Sinking Fund at the option of the County.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Certificates.

On or before each Interest Payment Date of the Certificates and while any of the Certificates are outstanding and unpaid, there shall be made available to the Paying Agent/Registrar, out of the 1993 Interest and Sinking Fund, money sufficient to pay such

interest on and principal of the Certificates as will accrue or mature on the applicable Interest Payment Date.

Section 9.02. Covenants to Maintain Tax-Exempt Status.

(a) Definitions. When used in this Section 9.02, the following terms have the following meanings:

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

"Computation Date" has the meaning stated in Treas. Reg. § 1.148-8(b)(1).

"Gross Proceeds" has the meaning stated in Treas. Reg. § 1.148-8(d).

"Investment" has the meaning stated in Treas. Reg. § 1.148-8(e).

"Issue Date" means the date on which the Certificates are first authenticated and delivered to the initial purchasers against payment therefore.

"Nonpurpose Investment" means any Investment in which Gross Proceeds of the Certificates are invested and which is not acquired to carry out the governmental purpose of the Certificates.

"Yield of"

- (1) any Investment shall be computed in accordance with Treas. Reg. § 1.148-2, and
- (2) the Certificates has the meaning stated in Treas. Reg. § 1.148-3.

(b) Not to Cause Interest to Become Taxable. The County shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction, or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which, if made or omitted, respectively, would cause the interest on any Certificate to become includable in the gross income, as defined in Section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the County shall have received a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exclusion of interest on any Certificate from gross income for federal income tax purposes pursuant to Section 103 of the Code, the County shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except as permitted by Section 141 of the Code and the regulations and rulings thereunder, the County, at all times prior to the last Stated Maturity of Certificates,

(1) shall exclusively own, operate, and possess all property acquired, constructed or improved directly or indirectly with Gross Proceeds of the Certificates and shall not use or permit the use of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds in any activity carried on by any person or entity other than a state or local government, unless such use is solely as a member of the general public, or

(2) shall not directly or indirectly impose or accept any charge or other payment for use of Gross Proceeds of the Certificates or for any property acquired, constructed or improved indirectly with such Gross Proceeds, other than taxes of general application within the County or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent permitted by Section 141 of the Code and the regulations and rulings thereunder, the County shall not use Gross Proceeds of the Certificates to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be "loaned" to a person or entity if (1) property acquired, constructed, or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes, (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output, or similar contract or arrangement, or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed, or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

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

(f) Not Federally Guaranteed. Except to the extent permitted by Section 149(b) of the Code and the regulations and rulings thereunder, the County shall not take or omit to take any action

which would cause the Certificates to be federally guaranteed within the meaning of Section 149(b) of the Code and the regulations and rulings thereunder.

(g) Information Report. The County shall timely file with the Secretary of the Treasury the information required by Section 149(e) of the Code with respect to the Certificates on such form and in such place as such Secretary may prescribe.

(h) Payment of Rebatale Arbitrage. Except to the extent otherwise provided in Section 148(f) of the Code and the regulations thereunder,

(1) The County shall account for all Gross Proceeds of the Certificates (including all receipts, expenditures, and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures, and investments thereof) and shall maintain all records of such accounting with the official transcript of the proceedings relating to the issuance of the Certificates until six years after the final Computation Date. The County may, however, to the extent permitted by Section 148(f) of the Code and the regulations thereunder, commingle Gross Proceeds of the Certificates with other money of the County, provided that the Issuer separately accounts for each receipt and expenditure of such Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the County shall either calculate and cause to be calculated by a nationally recognized accounting or financial advisory firm or financial institution in accordance with rules set forth in Section 148(f) of the Code and Treas. Reg. § 1.148-2 and rulings thereunder, the Rebatale Arbitrage with respect to the Certificates. The County shall maintain such calculations relating to the issuance of the Certificates until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Certificates by the initial purchasers thereof and the loan of the money represented thereby, and in order to induce such purchase by measures designed to result in the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the County shall pay to the United States the amount described in paragraph (2) above and the amount described in paragraph (4) below, at the times in the installments, to the place, in the manner, and accompanied by such forms or other information as is or may be required by Section 148(f) of the Code and Treas. Reg. §§ 1.148-1 through 1.148-9 and rulings thereunder.

(4) The County shall exercise reasonable diligence to assure that no errors are made in the calculations required by

paragraph (2) and, if such error is made, to discover and promptly to correct such error within a reasonable amount of time thereafter, including payment to the United States of any Correction Amount as described in Treas. Reg. § 1.148-1(c)(2) and any penalty under Treas. Reg. § 1.148-1(c)(3)(ii)(B).

Section 9.03 Other Representations and Covenants.

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

(b) The County is duly authorized under the laws of the State of Texas to issue the Certificates; all action on its part for the creation and issuance of the Certificates has been duly and effectively taken; and the Certificates in the hands of the Owners thereof are and will be valid and enforceable obligations of the County in accordance with their terms.

Section 9.04 Designation of Qualified Bonds.

Designation of Qualified Bonds. The Court hereby finds and states that it does not reasonably anticipate issuing "qualified tax exempt obligations," as that term is defined in Section 265 of the Internal Revenue Code of 1986, as amended (the "Code"), in an amount in excess of \$10,000,000 during the calendar year of 1993. The County further states its intention to and does hereby designate the Certificates as "qualified tax exempt obligations" for the purposes of said Section 265. The Court hereby covenants that it will not designate more than \$10,000,000 in obligations (including the Certificates) as "qualified tax exempt obligations" during calendar year 1993.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default.

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

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

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

Section 10.02. Remedies for Default.

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

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

Section 10.03. Remedies Not Exclusive.

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

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

ARTICLE XI

DISCHARGE

Section 11.01. Discharge by Payment.

When all Certificates have been paid in full as to principal and as to interest and redemption premium, if any, or when all Certificates have become due and payable, whether at maturity or by prior redemption or otherwise, and the County shall have provided for the payment of the whole amount due or to become due on all

Certificates then outstanding, including all interest that has accrued thereon or that may accrue to the date of maturity or prior redemption, and any premium due or that may become due at maturity or prior redemption, by depositing with the Paying Agent/Registrar, for payment to the principal of such outstanding Certificates and the interest accrued thereon and any redemption premium due thereon, the entire amount due or to become due thereon, and the County shall also have paid or caused to be paid all sums payable under this Order by the County, including the compensation due or to become due the Paying Agent/Registrar, then the Paying Agent/Registrar, upon receipt of a letter of instructions from the County requesting the same, shall discharge and release the lien of this Order and execute and deliver to the County such releases or other instruments as shall be requisite to release the lien hereof.

Section 11.02. Discharge by Deposit.

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

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

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

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

releases or other instruments as shall be requisite to release the lien hereof.

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

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

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

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

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

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

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

ARTICLE XII

LAPSE OF PAYMENT

Section 12.01. Lapse of Payment.

(a) Unclaimed Payments shall be segregated in a special escrow account and held in trust, uninvested, by the Paying Agent/Registrar for the account of the Owner of the Certificates to which the Unclaimed Payments pertain.

(b) Subject to any applicable escheat, abandoned property or similar law, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be applied to the next payment or payments on the Certificates thereafter coming due, and, to the extent any such money remains after the retirement of all outstanding Certificates, shall be paid to the County to be used for any lawful purpose. Thereafter, neither the County, the Paying Agent/Registrar nor any other person shall be liable or responsible to any Owners of such Certificates for any further payment of such unclaimed moneys or on account of any such Certificates, subject to any applicable escheat law or similar law.

ARTICLE XIII

Section 13.01. Further Procedures.

The County Judge, County Clerk, and all other officers, employees, and agents of the County, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the County all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Certificates and the Official Statement pertaining thereto. In case any officer whose facsimile signature shall appear on any Certificates shall cease to be such officer before the delivery of the Certificates, such facsimile signature shall nevertheless be valid and sufficient for all purposes the same as if he or she had remained in office until such delivery.

Section 13.02. Public Meeting.

It is officially found, determined, and declared that the meeting at which this Order has been adopted was open to the public and public notice of the time, place and subject matter of the public business to be considered and acted upon at said meeting, including this Order, was given, all as required by the applicable provisions of Article 6252-17, V.A.T.C.S., as amended.

Unrecorded

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FINALLY PASSED, APPROVED AND EFFECTIVE this 14th day of June, 1993.


County Judge
Titus County, Texas

ATTEST:


County Clerk
Titus County, Texas

[SEAL]

Unrecorded

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IN THE MATTER OF
APPROVING MAY MINUTES

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner Mike Fields to accept the minutes for May, 1993. Motion carried unanimously.

IN THE MATTER OF
ACCEPTING PLAT OF SILVER LAKE CIRCLE
IN PRECINCT 2

Motion was made by Commissioner Mike Fields and seconded by Commissioner Mike Price to accept the plat. Motion carried unanimously.

Mr. Johnathan Fuller, representing Silver Lake Circle was also advised to submit the plat to the court, since it will be subjected to Texas subdivision laws. Owners of Silver Lake Circle will have one year to bring road conditions to an acceptable level prior to the county accepting the roads for continued maintenance.

IN THE MATTER OF
GOING OUT FOR BIDS
2 NEW CARS FOR SHERIFF'S DEPARTMENT

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Mike Price that a request for bids be initiated. Motion carried unanimously.

IN THE MATTER OF
AMENDING BUDGET FOR
JUSTICE OF PEACE, PRECINCT 1

Eva Laing came to the Court requesting an amendment to her budget to allow her to attend a conference of the Board of Directors of the State Justice of the Peace Board. She indicated her budget had been depleted due to trips to Dallas for her and her clerks to Net Data for computer school.

Motion was made by Commissioner Mike Fields and seconded by Commissioner Thomas E. Hockaday to amend Justice of the Peace, Precinct 1 budget, authorizing \$520.00. Motion carried unanimously.

IN THE MATTER OF
GOING OUT FOR BIDS TO MOVE THE
TITUS COUNTY MAINTENANCE FACILITY

Motion was made by Commissioner Mike Price and seconded by Commissioner Thomas E. Hockaday to table this issue. Motion carried unanimously.

IN THE MATTER OF
REVIEWING BUDGET AMENDMENTS

County Auditor, Carl Johnson indicated that the budget required amending due to the Sulphur River Bridge Construction Project and the jail house architect's fee.

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Thomas E. Hockaday that the budget be so amended. Motion carried unanimously.

IN THE MATTER OF
APPROVING REPORTS OF OFFICIALS

Motion was made by Commissioner Mike Price and seconded by Commissioner Mike Fields to accept written reports from Titus County Extension Office; Justice of the Peace, Precinct 1; Justice of the Peace, Precinct 2; Tax-Assessor Collector; Titus County Treasurer; Titus County Clerk; Veterans Service Office and Nortex Fire Department. Motion carried unanimously.

IN THE MATTER OF
SIGNING PAY ORDERS AND APPROVING
PAYING OF BILLS

Motion was made by Commissioner J. W. Terrell, Jr. and seconded by Commissioner Thomas E. Hockaday to approve all pay orders, with the provision that the Auditor's Office concur with the District Judge on two specific attorney fee payments. Motion carried unanimously.

RECESS

At 9:57 A.M. a break was called by the Commissioner's Court in order to get ready for an Open Public Hearing on Texas Capital Fund Loans status.

OPEN PUBLIC HEARING

At 10:00 A.M. the Public Hearing was opened with a call for questions and comments.

Mr. Ken Blonkask asked what the program was for.

County Judge, Alford L. Flanagan explained the program is handled through state funding to use towards loans on personal businesses (which meet state specifications) and that the pay back from these loans is set aside to be re-invested through this program back into the county.

There were no other questions and comments.

The Open Public Hearing was closed and Commissioner's Court was reconvened.

EXECUTIVE SESSION

The Commissioner's Court then went into Executive Session to discuss Real Estate issues.

The Commissioner's Court reconvened at approximately 11:05 A.M. no action was taken on matters discussed at Executive Session.

RECESS

Motion was made by Commissioner Mike Price and seconded by Commissioner J. W. Terrell, Jr. to recess until Thursday, June 17th, 1993 at 1:00 P.M. Motion carried unanimously.

COMMISSIONER'S COURT
JUNE 14th, 1993 MEETING RECONVENED
JUNE 17th, 1993 AT 1:00 P.M.

Commissioner's Court reconvened on Thursday, June 17th, 1993 in the Titus County Courtroom with the following members present:

ALFORD L. FLANAGAN
MIKE PRICE
MIKE FIELDS
J. W. TERRELL, JR.
THOMAS E. HOCKADAY
SHELIA D. PRICE

COUNTY JUDGE
COMMISSIONER PRECINCT 1
COMMISSIONER PRECINCT 2
COMMISSIONER PRECINCT 3
COMMISSIONER PRECINCT 4
COUNTY CLERK

ABSENT: NONE

and the following proceedings were had to wit:

PUBLIC AND COUNTY OFFICIALS ATTENDING MEETING:

THOMAS M. POLLAN

TIM MERIWETHER

CARL JOHNSON, AUDITOR

IN THE MATTER OF
ORDER AWARDING THE SALES OF TITUS COUNTY
CERTIFICATES OF OBLIGATION, SERIES 1993 BONDS

Motion was made by Commissioner Mike Price and seconded by Commissioner Mike Fields that a resolution allowing County Financial Manager, Mr. Tim Meriwether, of Masterson, Mooreland, Sauer, Whisman, Inc. to also submit a bid on the bond proposal. Motion carried unanimously.

Commissioner J. W. Terrell, Jr. voiced a concern over possibility of a conflict of interest by allowing Masterson, Mooreland, Sauer, Whisman, Inc. to submit a bid on the bond proposal.

Mr. Thomas P. Pollan of Bickerstaff, Heath & Smiley, L.L.P. explained to the Commissioner's Court that this was not out of the ordinary, rather it allows for a good check and balance system to ensure bids are within a fair market value and competitive.

Mr. Tim Meriwether reported to the Commissioner's Court on the bids received. Mr. Tim Meriwether had contacted 15 perspective bidders. Eight bids were submitted to the court; several were from syndicated interest. The three top bids were Barre & Company at 5.10541% interest, Nationsbank at 5.1286% and Payne Webber at 5.3076% interest.

Mr. Tim Meriwether recommended the county to accept the lowest bid from Barre & Company at the proposal rate of 5.10541% interest. Barre & Company was report to have a AAA rating. The proposal includes 40,000 insurance premiums plus the county will pay some incidental costs.

Motion was made by Commissioner Mike Price and seconded by Commissioner J. W. Terrell, Jr. to accept Barre & Company 5.10541% interest. bond issue. Motion carried unanimously.

The Commissioner's Court will close on July 20th, 1993 with Barre & Company. Interest to start on July 1st, 1993 on the bond issue.

After approval Mr. Thomas P. Pollan of Bickerstaff, Heath & Smiley, L.L.P presented Commissioner's Court a check in the amount of \$110,000.00 from Barre & Company as earnest and good faith money; which is to be refunded at closing on July 20th, 1993. The check was turned over by the Commissioner's Court to the County Auditor's Office for safe keeping.

IN THE MATTER OF
APPROVING BID FOR TYPE A AND
TYPE B FENCING FOR HIGHWAY

Motion was made by Commissioner Thomas E. Hockaday and seconded by Commissioner Mike Price to approve the bid for 35,739.53 feet of Type "A" fence and 4,668.66 feet of Type "B" fence for State Highway 49 at a cost of \$1.25 per linear foot by Tommy Fleming. Motion carried unanimously.

Tommy Fleming
Rt. 2 Box 3320
Mt Pleasant, TX 75455
(903) 572-4269

Bid for fencing

35,739.53 Feet of Type "A" Fence

4668.66 Feet of Type "B" Fence

Erected Along State Highway 49

At \$1.25 per Linear Foot

Tommy Fleming