

OFFICIAL NOTICE OF SALE AND BIDDING INSTRUCTIONS

POLK COUNTY, TEXAS \$830,000 TAX NOTES, SERIES 2010

Receiving Bids Until 1:00 p.m. CDT Monday, August 23, 2010

THE SALE

NOTES OFFERED FOR SALE AT COMPETITIVE BIDDING: Polk County, Texas (the "County") is offering for sale its \$830,000 Tax Notes, Series 2010 (the "Notes").

Bidders may submit bids either by (i) electronic submission; (ii) telephone; or (iii) physical delivery. **All bidders must submit signed bid forms prior to 1:00 p.m. CDT ON MONDAY, AUGUST 23, 2010,** to Jim Gilley, Coastal Securities, 5555 San Felipe, Suite 2200, Houston, Texas 77056. **All bids must be received by 1:00 p.m. CDT on the date of the sale.**

Bids may be submitted electronically through the facilities of the PARITY Electronic Bid Submission System ("PARITY"). Subscription to the I-Deal LLC's BIDCOMP Competitive Bidding System is required to submit an electronic bid.

ELECTRONIC BIDS: An electronic bid made through PARITY shall be deemed an irrevocable offer to purchase the Notes on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the County. The County shall not be responsible for any malfunction or mistake made by, or as a result of the use of the facilities of, PARITY, the use of such facilities being at sole risk of the prospective bidder.

The official time for the receipt of all bids shall be the time maintained by PARITY. All electronic bids shall be deemed to incorporate the provisions of the Official Notice of Sale and Bidding Instructions and the Preliminary Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the PARITY System, potential bidders may contact Certificate Research Group, c/o i-Deal LLC, 395 Hudson Street, Third floor, New York, New York 10014, (212) 807-3800.

TELEPHONE BIDS: Bids may be submitted by telephone **provided prior arrangements have been made with Coastal Securities to transcribe the telephone bids.** Bidders who wish assistance in processing their bids via telephone must submit Official Bid Forms to Jim Gilley, Coastal Securities, 5555 San Felipe, Suite 2200, Houston, Texas 77056, (713) 435-4598, and submit their bid by telephone on the date of the sale. No bids received after the deadline will be submitted. **No faxed bids will be allowed.**

DELIVERED BIDS: Sealed bids, plainly marked "Bid for Notes," should be addressed to "Judge and County Commissioners, Polk County, Texas" and delivered prior to 1:00 p.m. on the date of sale to Coastal Securities, c/o Jim Gilley, 5555 San Felipe, Suite 2200, Houston, Texas 77056. All bids must be submitted on the Official Bid Form, without alteration or interlineation.

AWARD OF THE NOTES: The County Commissioners Court will take action to award the Notes (or reject all bids) at a meeting to commence at 10:00 a.m. CDT, August 24, 2010, and adopt an order (the "Order") authorizing the Notes and approving the Preliminary Official Statement.

THE NOTES

DESCRIPTION: The Notes will be dated September 15, 2010 (the “Dated Date”). Interest will accrue from the Dated Date and will be due on February 15, 2011, and each August 15 and February 15 thereafter until the earlier of redemption or maturity and will be computed on the basis of a 360-day year of twelve 30-day months. The Notes will be issued only in fully registered form and when issued, will be registered in the name of Cede & Co., as registered owner and the nominee of The Depository Trust Company (“DTC”), pursuant to the Book-Entry-Only System. Beneficial ownership of the Notes may be acquired in denominations of \$5,000 or integral multiples thereof, and are scheduled to mature as follows. No physical delivery of the Notes will be made to the beneficial owners thereof. Principal of, premium, if any, and interest on the Notes will be payable by Wells Fargo Bank, National Association, Houston, Texas (the “Paying Agent/Registrar”) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Notes. The Notes mature as set forth below:

MATURITY SCHEDULE

Polk County, Texas

\$830,000

Tax Notes, Series 2010

<u>Due</u>	<u>Amount</u> ^(a)
<u>February 15</u>	
2011	\$ 110,000
2012	115,000
2013	115,000
2014	115,000
2015	120,000
2016	125,000
2017	130,000

(a) The Notes are not subject to optional redemption.

BOOK-ENTRY-ONLY SYSTEM: The County intends to utilize the Book-Entry-Only System of The Depository Trust Company (“DTC”). (See “THE NOTES - Book-Entry-Only System” in the Preliminary Official Statement.)

OPTIONAL REDEMPTION: The Notes are not subject to optional redemption.

SERIAL NOTES OR SERIAL NOTES AND TERM NOTES: Bidders may provide that all the Notes be issued as Serial Notes maturing in accordance with the Maturity Schedule shown on the Official Bid Form or may provide that any two or more consecutive annual principal amounts be combined into one or more term Notes.

MANDATORY SINKING FUND: If the successful bidder designates principal amounts to be combined into one or more term Notes, each such term Note will be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such term Note and continuing February 15 in each year thereafter until the stated maturity date of that term Note. The amount redeemed in any year will be equal to the principal amount for such year set forth in the table above. Notes to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par and will be selected by lot from among the Notes then subject to redemption.

PAYING AGENT/REGISTRAR: The initial Paying Agent/Registrar shall be Wells Fargo Bank, National Association, Houston, Texas. (See “THE NOTES - Paying Agent/Registrar” in the Preliminary Official Statement.)

SOURCE OF PAYMENT: Principal of and interest on the Notes are payable from the proceeds of a continuing, annual ad valorem tax levied, within the limits prescribed by law, on all taxable property within the County. The Notes are direct obligations of the County and are not obligations of the State of Texas or any other political subdivision. (See “THE NOTES – Sources of Payment” in the Preliminary Official Statement.)

QUALIFIED TAX-EXEMPT OBLIGATIONS: The County will designate the Notes as “qualified tax-exempt obligations”.

CONDITIONS OF THE SALE

TYPE OF BIDS AND INTEREST RATES: The Notes will be sold in one block on an “all or none” basis, and at a price of not less than 100% of par value plus accrued interest from the Dated Date of the Notes to the date of delivery of the Notes plus a cash premium not to exceed 2% (if any). No discount bids will be permitted. Bidders are invited to name the rate(s) of interest to be borne by the Notes, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate must not exceed 15%. The highest coupon rate for any maturity may not exceed the lowest rate by more than 2%. No limitation is imposed upon bidders as to the number of rates or changes which may be used. All Notes of one maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered. Each bidder shall state the true interest cost rate of its bid, which shall be considered informative only and not as a part of the bid.

BASIS FOR AWARD: The sale of the Notes will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the lowest **true interest cost rate** to the County (the “Purchaser”). The true interest cost rate is that annual rate which, when used to compute the total present value as of the Dated Date of the Notes of all debt service payments on the Notes on the basis of semi-annual compounding, using a 360-day year composed of twelve consecutive 30-day months, produces an amount equal to the sum of the par value of the Notes plus any premium bid (but not interest accrued from the Dated Date of the Notes to the date of their delivery). In the event of the bidder’s error in interest cost calculations, the interest rates and premium, if any, set forth in the Official Bid Form will be considered as the intended bid.

GOOD FAITH CHECK: Each bid must be accompanied by a **bank cashier’s check** or bank certified check (the “Good Faith Check”) payable to the order of “County of Polk, Texas” in the amount of \$16,600 which is 2% of the par value of the Notes. The Good Faith Check may accompany the Official Bid Form, or it may be submitted separately. If submitted separately, it shall be made available to the County prior to the opening of the bids and shall be accompanied by instructions from the bank on which it is drawn which authorizes its use as a Good Faith Check by the bidder, who shall be named in such instructions. The Good Faith Check of the successful bidder for the Notes will be retained uncashed by the County pending the Purchaser’s compliance with the terms of its bid, the Official Bid Form and this Official Notice of Sale. Upon payment of the par value of the Notes plus any premium bid (the “Full Purchase Price”), the Good Faith Check will be returned uncashed to the Purchaser. No interest will be paid on the Good Faith Check. If the Purchaser fails or refuses to pay the Full Purchase Price, then such check shall be cashed and the proceeds retained by the County as full and complete liquidated damages. Good Faith Checks accompanying bids other than the bid of the Purchaser will be returned promptly following the award of the sale of the Notes to the Purchaser.

DELIVERY OF THE NOTES AND ACCOMPANYING DOCUMENTS

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will appear on the Notes, but neither the failure to print or type such number on any Note nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and pay for the Notes in

accordance with the terms of this Official Notice of Sale and Bidding Instructions and the terms of the Official Bid Form. All expenses in relation to the printing or typing of CUSIP numbers on the Notes shall be paid by the County; provided, however, that the CUSIP Service Bureau assignment of the numbers shall be the responsibility of and shall be **paid for by the Initial Purchaser**.

DELIVERY OF NOTES: Delivery will be accomplished by the issuance of one Initial Note either in typed or printed form, in the total aggregate principal amount of \$830,000, signed by the County Judge, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts. Upon delivery of the Initial Note, it shall be immediately cancelled and one definitive Note for each maturity will be registered and delivered only to Cede & Co. and deposited with DTC in connection with DTC's Book-Entry-Only System. Delivery will be at the office of the Paying Agent/Registrar. Payment for the Notes must be made in immediately available funds for unconditional credit to the County, or as otherwise directed by the County. The Purchaser will be given five business days' notice of the time fixed for delivery of the Notes. It is anticipated that delivery of the Notes can be made on or about September 23, 2010 and it is understood and agreed that the Purchaser will accept delivery and make payment for the Notes by 10:00 a.m., CDT, on September 23, 2010 or thereafter on the date the Notes are tendered for delivery, up to and including October 22, 2010. If for any reason the County is unable to make delivery on or before October 22, 2010, the County shall immediately contact the Purchaser and offer to allow the Purchaser to extend its offer for an additional thirty days. If the Purchaser does not elect to extend its offer within five days thereafter, then its Good Faith Check will be returned, and both the County and the Purchaser shall be relieved of any further obligation. In no event shall the County be liable for any damages by reason of its failure to deliver the Notes, provided such failure is due to circumstances reasonably beyond the County's control.

CONDITIONS TO DELIVERY: The obligation of the Purchaser to take up and pay for the Notes is subject to the Purchaser's receipt of (a) the legal opinion of Bickerstaff Heath Delgado Acosta LLP, Austin, Texas, Bond Counsel for the County ("Bond Counsel"), (b) the no-litigation Certificate, and (c) the certification as to the Official Statement, all as further described in the Preliminary Official Statement.

In order to provide the County with information required to enable it to comply with certain conditions of the Internal Revenue Code of 1986 relating to the exemption of interest on the Notes from the gross income of their owners, the Purchaser will be required to complete, execute, and deliver to the County a certification as to their "issue price" substantially in the form and to the effect attached hereto and accompanying this Official Notice of Sale and Bidding Instructions. In the event the successful bidder does not reoffer the Notes for sale, such certification may be modified in a manner approved by the County. **In no event will the Purchaser be relieved of its obligation to purchase the Notes as a result of the Purchaser's inability to sell a substantial amount of the Notes at a particular price prior to delivery.** Each bidder, by submitting its bid, agrees to complete, execute, and deliver such a certification by the date of delivery of the Notes, if its bid is accepted by the County. It will be the responsibility of the Purchaser to institute such syndicate reporting requirements to make such investigation, or otherwise to ascertain the facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel.

LEGAL OPINIONS: The Notes are offered when, as and if issued, subject to the approval of the Attorney General of the State of Texas. Delivery of and payment for the Notes is subject to the receipt by the Purchaser of the opinion of Bond Counsel, in substantially the form attached as APPENDIX D to the Preliminary Official Statement, including alternative minimum tax consequences for corporations.

CERTIFICATION OF OFFICIAL STATEMENT: At the time of payment for and initial delivery of the Notes, the County will execute and deliver to the Purchaser a certification in the form set forth in the Preliminary Official Statement.

CHANGE IN TAX-EXEMPT STATUS: At any time before the Notes are tendered for delivery, the Purchaser may withdraw its bid if the interest received by private holders on Notes of the same type and

character as the Notes shall be declared to be taxable income under present federal income tax laws, either by ruling of the Internal Revenue Service or by a decision of any federal court, or shall be declared taxable or be required to be taken into account in computing any federal income taxes, by the terms of any federal income tax law enacted subsequent to the date of this Official Notice of Sale and Bidding Instructions.

GENERAL

FINANCIAL ADVISOR: Coastal Securities, Inc. (“Coastal”) is employed as Financial Advisor to the County in connection with the issuance of the Notes. The Financial Advisor’s fee for services rendered with respect to the sale of the Notes is contingent upon the issuance and delivery of the Notes. Coastal, in its capacity as Financial Advisor, has relied on the opinion of Bond Counsel and has not verified and does not assume any responsibility for the information, covenants and representations contained in any of the legal documents with respect to the federal income tax status of the Notes, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

BLUE SKY LAWS: By submission of its bid, the Purchaser represents that the sale of the Notes in states other than Texas will be made only pursuant to exemptions from registration or, where necessary, the Purchaser will register the Notes in accordance with the securities law of the states in which the Notes are offered or sold. The County agrees to cooperate with the Purchaser, at the Purchaser’s written request and expense, in registering the Notes or obtaining an exemption from registration in any state where such action is necessary, provided, however, that the County shall not be obligated to execute a general or special consent to service of process in any such jurisdiction.

NOT AN OFFER TO SELL: This Official Notice of Sale and Bidding Instructions does not alone constitute an offer to sell the Notes, but is merely notice of sale of the Notes. The offer to sell the Notes is being made by means of the Official Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement. Prospective purchasers are urged to carefully examine the Official Statement to determine the investment quality of the Notes.

RATINGS: The County has received an underlying rating of “A+” on the Notes from Standard and Poor’s Rating Services a Standard and Poor’s Financial Services LLC business (“Standard & Poor’s”).

MUNICIPAL BOND INSURANCE: In the event the Notes are qualified for municipal bond insurance, and the Purchaser desires to purchase such insurance, the cost therefore **will be paid by the Purchaser.** It will be the responsibility of the Purchaser to disclose the existence of insurance, its terms and the effect thereof with respect to the reoffering of the Notes.

THE OFFICIAL STATEMENT AND COMPLIANCE WITH SEC RULE 15c2-12: The County has prepared the accompanying Preliminary Official Statement and, for the limited purpose of complying with SEC Rule 15c2-12 (the “Rule”), will deem such Preliminary Official Statement to be “final” as of its date within the meaning of the Rule for the purpose of review prior to bidding. To the best knowledge and belief of the County, the Preliminary Official Statement contains information, including financial information or operating data, concerning every entity, enterprise, fund, account, or person that is material to an evaluation of the offering of the Notes. Representations made and to be made by the County concerning the absence of material misstatements and omissions in the Preliminary Official Statement are addressed elsewhere in this Official Notice of Sale and Bidding Instructions and in the Preliminary Official Statement.

If requested, the County will furnish to the Purchaser, in accordance with instructions received from the Purchaser, within seven (7) business days from the sale date an aggregate of up to **200** copies of the Official Statement, including a like number of copies of any supplement(s) reflecting interest rates and other terms relating to the initial reoffering of the Notes. Any Official Statements in excess of the number specified shall be prepared and distributed at the cost of the Purchaser. The Purchaser shall be responsible

for providing in writing the initial reoffering prices and other terms, if any, to the Financial Advisor by the close of the next business day after the award. Except as noted above, the County assumes no responsibility or obligation for the distribution or delivery of any copies of the Official Statement in connection with the offering or reoffering of the Notes.

CONTINUING DISCLOSURE AGREEMENT: The County will agree in the Order to provide certain periodic information and notices of material events in accordance with Securities and Exchange Commission Rule 15c2-12, as described in the Preliminary Official Statement under “CONTINUING DISCLOSURE OF INFORMATION.” The obligation of the Purchaser to accept and pay for the Notes is conditioned upon delivery to the Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS: The County became obligated to file annual reports with the state information depository and each nationally recognized municipal securities information repository pursuant to a general obligation debt offering that took place in 2007. The County timely filed the information with the Municipal Advisory Council of Texas, the State Information Depository for the State of Texas, believing such filing to constitute filing through DisclosureUSA.org. All information has since been filed. The County has implemented procedures to comply with the filing requirements for subsequent financial information filings. Subsequent to the 2007 filing, the County has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

ADDITIONAL COPIES OF NOTICE OF SALE AND BIDDING INSTRUCTIONS: Printed copies are available electronically through BIDCOMP/PARITY. A limited number of printed copies of this Official Notice of Sale and Bidding Instructions, the Official Bid Form and the Preliminary Official Statement may be obtained at the offices of Coastal Securities, 5555 San Felipe, Suite 2200, Houston, Texas 77056, Financial Advisor to the County.

On the date of the sale, the Commissioners Court will, in the Order authorizing the issuance of the Notes, confirm the County’s approval of the form and content of the Preliminary Official Statement, and any addenda, supplement or amendment thereto, and authorize its use in the reoffering of the Notes by the Purchaser.

County Judge
Polk County, Texas

OFFICIAL BID FORM

County Judge and Commissioners Court:
Polk County, Texas

Reference is made to your Preliminary Official Statement and Official Notice of Sale and Bidding Instructions dated August 11, 2010 for **\$830,000 POLK COUNTY, TEXAS TAX NOTES, SERIES 2010** (the “Notes”), both of which constitute a part hereof.

For your legally issued Notes, as described in said Official Notice of Sale and Bidding Instructions and Preliminary Official Statement, we will pay you par plus accrued interest from Dated Date, September 15, 2010, to the date of delivery to us, plus a cash premium (not to exceed 2%) of \$_____ for Notes maturing and bearing interest as follows:

<u>Due</u>	<u>Amount ^(a)</u>	<u>Interest</u>
<u>February 15</u>		<u>Rate</u>
2011	\$ 110,000	
2012	115,000	
2013	115,000	
2014	115,000	
2015	120,000	
2016	125,000	
2017	130,000	

(a) The Notes are not subject to Optional Redemption.

For those years, which have been combined into term Notes, the principal amount shown in the table above shall be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the term Note maturity date shall mature in such year. The term Notes created are as follows:

<u>Year of Stated Maturity</u>	<u>Year of First Mandatory Redemption</u>	<u>Aggregate Principal Amount</u>	<u>Interest Rate</u>
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____
_____	_____	_____	_____

If accepted by the County, this bid shall thereupon become a contract of purchase for the Notes under the terms contained herein and in the Official Notice of Sale and Bidding Instructions and Preliminary Official Statement. The Initial Note shall be registered in the name of Cede & Co. (DTC’s partnership nominee). We will advise The Depository Trust Company (“DTC”) of registration instructions at least five business days prior to the date set for Initial Delivery. We agree to accept delivery of the Notes utilizing the Book-Entry-Only System through DTC and make payment for the Initial Note in immediately available funds to you in Houston, Texas at the office of Wells Fargo Bank, National Association (the “Paying Agent/Registrar”) or such other place as the County may designate in accordance with the terms of the Official Notice of Sale and Bidding Instructions. Should we fail to

accept such delivery, the Good Faith Check shall be cashed and the proceeds retained by the County as complete liquidated damages.

In accordance with the terms of the Official Notice of Sale and Bidding Instructions, the Good Faith Check, a bank cashier's or bank certified check for \$16,600, drawn upon _____ Bank, is herewith enclosed or has been made available to the County prior to the opening of this bid with authorizing instructions from such bank. Such Good Faith Check is payable to the order of "County of Polk, Texas." If the Notes are awarded to us, the Good Faith Check will be retained by the County uncashed until the Full Purchase Price (consisting of the par value of the Notes plus the cash premium, if any, plus accrued interest to the date of delivery) has been paid to the County by us, in federal or immediately available funds to the Paying Agent/Registrar, for immediate and unconditional credit to the County. Upon payment of the Full Purchase Price, the County agrees to return the Good Faith Check to us.

Accordingly, if the Notes are awarded to us, we agree to pay you in federal funds acceptable to the County, for immediate and unconditional credit to the County or as otherwise directed by the County, the full purchase price. If the Notes are not awarded to us, the Good Faith Check will be returned to us promptly.

The undersigned agrees to complete, execute and deliver to the County, within 5 business days of the award of sale of the Notes, a Certificate relating to the "issue price" of the Notes in the form accompanying the Official Notice of Sale and Bidding Instructions, with such changes thereto as may be acceptable to the County.

If the bid is accepted by the County, this bid shall thereupon become a contract of purchase for the Notes under the terms contained in this Official Bid Form and in the Official Notice of Sale and Bidding Instructions. We hereby acknowledge that we have received and read the Official Notice of Sale and Bidding Instructions and Preliminary Official Statement referred to above.

Respectfully submitted,

(Note: Not part of bid) True Interest Cost Rate _____% By: _____
Authorized Representative

ACCEPTANCE CLAUSE

The above and foregoing bid is hereby in all things accepted by the County of Polk, subject to and in accordance with the Official Notice of Sale and Bidding Instructions, this the 24th day of August, 2010.

County Judge
Polk County, Texas

ATTEST:

County Clerk
Polk County, Texas

Direct inquiries to the attention of:

Jim Gilley
Coastal Securities
5555 San Felipe, Suite 2200
Houston, Texas 77056
713-435-4411 phone / 713-435-4598 Fax

ISSUE PRICE CERTIFICATE

The undersigned hereby certifies as follows with respect to the bid and purchase of the \$830,000 Polk County, Texas Tax Notes, Series 2010 (the “Notes”):

1. The undersigned is the duly authorized representative of the purchaser (the “Purchaser”) of the Notes from Polk County, Texas (the “Issuer”).
2. All of the Notes have been offered to members of the public in a bona fide initial offering. For purposes of this Certificate, the term “public” does not include any bondhouses, brokers, dealers, and similar persons or organizations acting in the capacity of underwriters or wholesalers (including the Purchaser or members of the selling group or persons that are related to, or controlled by, or are acting on behalf of or as agents for the undersigned or members of the selling group).
3. Each maturity of the Notes was offered to the public at a price which, on the date of such offering, was reasonably expected by the Purchaser to be equal to the fair market value of such maturity.
4. Other than the obligations set forth in paragraph 5 hereof (the “Retained Maturity” or “Retained Maturities”), the first price/yield at which a substantial amount (i.e., at least ten (10) percent) of the principal amount of each maturity of the Notes was sold to the public is set forth below.

Principal Amount At <u>Maturity</u>	<u>Maturity</u>	<u>Price/Yield</u>	
\$ 110,000	2011		%
115,000	2012		
115,000	2013		
115,000	2014		
120,000	2015		
125,000	2016		
130,000	2017		

5. In the case of the Retained Maturities, the Purchaser reasonably expected on the offering date to sell the Notes of each Retained Maturity at the initial offering price/yield as set forth below:

Principal Amount At <u>Maturity</u>	<u>Maturity</u>	<u>Price/Yield</u>	
\$ 110,000	2011		%
115,000	2012		
115,000	2013		
115,000	2014		
120,000	2015		
125,000	2016		
130,000	2017		

6. Please choose the appropriate statement:

() The Purchaser will not purchase insurance for the Notes.

() The Purchaser will purchase insurance from _____ (the "Insurer") for a fee/premium of \$_____ (the "Fee"). The Fee is a reasonable amount payable solely for the transfer of credit risk for the payment of debt service on the Notes and does not include any amount payable for a cost other than such guarantee, e.g., a credit rating or legal fees. The Purchaser represents that the present value of the Fee for each obligation constituting the Notes to which such Fee is properly allocated and which are insured thereby is less than the present value of the interest reasonably expected to be saved as a result of the insurance on each obligation constituting the Notes. The Fee has been paid to a person who is not exempt from federal income taxation and who is not a user or related to the user of any proceeds of the Notes. In determining present value for this purpose, the yield of the Notes (determined with regard to the payment of the guarantee fee) has been used as the discount rate. No portion of the Fee is refundable upon redemption of any of the Notes in an amount which would exceed the portion of such Fee that has not been earned.

7. The Purchaser understands that the statements made herein will be relied upon, by the Issuer in its effort to comply with the conditions imposed by the Internal Revenue Code of 1986 and by Bond Counsel in rendering their opinion that the interest on the Notes is excludable from the gross income of the owners thereof.

EXECUTED and DELIVERED this _____ day of _____, 2010.

By: _____

Title: _____