



**Travis County Commissioners Court Agenda Request  
Travis County Cultural Education Facilities Finance Corporation**

**Meeting Date:** October 30, 2012

**Prepared By/Phone Number:** Andrea Shields, Manager/854-9116

**Elected/Appointed Official/Dept. Head:** Leslie Browder, County Executive, Planning and Budget/854-9106

**Commissioners Court Sponsor:** Samuel T. Biscoe, President

**AGENDA LANGUAGE:**

Take appropriate action to consider and approve resolution authorizing issuance of Resolution Authorizing Travis County Cultural Education Facilities Corporation Education Revenue Bonds (Wayside Schools) Series 2012A, Taxable Education Revenue Bonds (Wayside Schools) Series 2012B and Taxable Education Revenue Bonds (Wayside Schools) Series 2012Z (Qualified Zone Academy Bonds – Direct Pay); Loan Agreements; Trust Indentures; A Bond Purchase Agreement; And Other Matters In Connection Therewith

**BACKGROUND/SUMMARY OF REQUEST AND ATTACHMENTS:** See attached backup.

*It should be noted that there are three trust indentures and three loan agreements that have not been included in this backup, as including them would make the backup over 500 pages long. However, these documents are available for review in Andrea Shields' office.*

**STAFF RECOMMENDATIONS:** Staff recommends approval.

*It should be noted that there are three trust indentures and three loan agreements that have not been included in this backup, as including them would make the backup over 500 pages long. However, these documents are available for review in Andrea Shields' office.*

**ISSUES AND OPPORTUNITIES:** None.

AGENDA REQUEST DEADLINE: All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.

**FISCAL IMPACT AND SOURCE OF FUNDING:** None.

**REQUIRED AUTHORIZATIONS:** Andrea Shields, Manager/854-9116;  
Leroy Nellis, Budget Manager/854-9066

**AGENDA REQUEST DEADLINE:** All agenda requests and supporting materials must be submitted as a pdf to Cheryl Aker in the County Judge's office, [Cheryl.Aker@co.travis.tx.us](mailto:Cheryl.Aker@co.travis.tx.us) by Tuesdays at 5:00 p.m. for the next week's meeting.

**GENERAL CERTIFICATE OF ISSUER  
(Wayside Schools)**

The undersigned officers of the Travis County Cultural Education Facilities Corporation (the “*Issuer*”) do hereby execute and deliver this certificate for the benefit of all persons interested in the Issuer’s Education Revenue Bonds (Wayside Schools) Series 2012A, its Taxable Education Revenue Bonds (IDEA Public Schools) Series 2012B and its Taxable Education Revenue Bonds (IDEA Public Schools) Taxable Series 2012Z (Qualified Zone Academy Revenue Bonds – Direct Pay) (the “*Bonds*”). Capitalized terms used herein are used as defined in Exhibit A attached hereto, unless otherwise indicated. We hereby certify that:

1. On October 30, 2012 and at all times since such date to the date hereof, the following named persons have duly constituted the Board of Directors (the “*Board*”) of the Issuer, and as indicated below, certain of the directors are and at all times since such date have been duly selected, qualified and acting officers of the Issuer for the offices set forth opposite their names:

<u>Name</u>	<u>Office</u>
Samuel T. Biscoe	President
Sarah Eckhardt	Vice President
Margaret Gomez	Secretary
Ron Davis	Assistant Secretary
Karen Huber	Treasurer

2. In accordance with Section 53.14 of the Texas Education Code, as amended, no officer or employee of City of Austin, Texas, serves on the Board of the Issuer.

3. The Issuer is duly incorporated and validly existing under the laws of the State of Texas. Attached hereto as Exhibit B-1 is a copy of the Issuer’s Articles of Incorporation, as the same may have been amended, in each case as certified by the Secretary of State of the State of Texas, and attached hereto as Exhibit B-2 is a Certificate of the Secretary of State of the State of Texas, certifying to the continued existence of the Issuer. Except as shown in Exhibit B-1, such Articles of Incorporation have not been amended and remain in full force and effect. No Articles of Dissolution of the Issuer have been authorized, executed, verified, or filed, no certificate of dissolution of the Issuer has been issued, and no proceedings to dissolve the Issuer have been commenced.

4. Attached hereto as Exhibit C is a true and correct copy of the Bylaws of the Issuer as in full force and effect as of the date hereof.

5. The Issuer is in good standing under the laws of the State of Texas. Attached hereto as Exhibit D is a copy of the certificate of the Comptroller of Public Accounts of the State of Texas certifying as to the good standing of the Issuer regarding franchise tax reports.

6. The Issuer is not in default on any of its obligations with respect to the Bonds.

7. The resolution authorizing the issuance of the Bonds (the "*Bond Resolution*"), a true and correct copy of which is attached hereto as Exhibit E, was adopted at a duly convened meeting of the Board on October 30, 2012 (the "*Meeting*"), at which Meeting a duly constituted quorum was present; consisting of all board members except as indicated on the Certificate for Resolution attached to the Bond Resolution; each of the board members (including those absent) was given the time and location of the meeting and of the matters to be acted upon; the Bond Resolution was adopted unanimously; the original of the Bond Resolution is on file in the official records of the Issuer and the Bond Resolution, approved by the unanimous vote of the members present, has not been amended and is in full force and effect; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the Meeting; and the Meeting was held and conducted in accordance with the Articles of Incorporation and the Bylaws of the Issuer

8. The Bond Documents to which the Issuer is a party and any other agreements and documents to which the Issuer is a party and which are executed and delivered by officers of the Issuer acting in their official capacities are in substantially the same form as the copies of such instruments which were authorized and approved by the Bond Resolution, with such changes and revisions therein as have been authorized or approved in accordance with the provisions of the Bond Resolution, and are in full force and effect on the date hereof.

9. None of the proceedings or authorizations heretofore taken or given for issuance of the Bonds, the payment or security thereof, the execution, delivery and performance of the Bond Documents to which the Issuer is a party, and the execution, delivery and performance of any other agreement or document to which the Issuer is a party have been amended, modified, repealed, revoked or rescinded.

10. The execution and delivery of the Bond Documents to which the Issuer is a party and any other agreements to be executed by the Issuer relating to the issuance of the Bonds or contemplated in any offering document for the Bonds and the compliance by the Issuer with the provisions thereof will not conflict with or constitute on the part of the Issuer a breach of or a default under the Articles of Incorporation or Bylaws of the Issuer, any existing law, any court or administrative regulation, decree or order or any agreement, indenture, mortgage, lease, or other instrument to which the Issuer is subject or by which it is bound. No event has occurred, and no condition currently exists, which constitutes or may, with the passage of time or the giving of notice, or both, constitute an Event of Default on the part of the Issuer under the Indenture or the Loan Agreement.

11. No litigation is pending or, to the best of our knowledge, threatened in any court in any way affecting the existence of the Issuer or the titles of the members of its board of directors or officers to their respective positions or seeking to restrain or enjoin the issuance, sale or delivery of the Bonds or the pledge thereof, or in any way affecting or contesting any authority for the validity or enforceability of either of the Resolutions or the Bond Documents to which the Issuer is a party or the existence or powers or authority of the Issuer with respect to the Bonds, or contesting in any way the completeness or accuracy of any offering document for the Bonds.

12. We officially executed the Bonds, including the Initial Bonds delivered to the Texas Attorney General, by manual signature or by causing facsimiles of our manual signatures to be imprinted, photocopied or lithographed on each of the Bonds, and we hereby adopt said facsimile signatures as our own, respectively, and declare that said facsimile signatures constitute our signatures the same as if we had manually signed each of the Bonds. At the time we so executed the Bonds, we were, and at the time of executing this certificate we are, the duly chosen, qualified, and acting officers indicated therein and herein and authorized to execute the same and the signatures appearing above our respective names below are our true and genuine signatures.

13. The Issuer was created pursuant to Chapter 53.35 of the Texas Education Code.

14. All applicable requirements in Section 202(a) of the Master Indenture for the issuance of the Notes have been satisfied and the requisite opinion of counsel has been submitted and accepted by the Master Trustee as evidence that items (1)-(8) of Section 212(a) of the Master Indenture have been satisfied.

15. The Attorney General of Texas is hereby authorized and directed to date this certificate concurrently with the date of approval of the Bonds and can rely on the absence of any litigation or contest pertaining to the Bonds and any other matters covered by this certificate, and on the veracity and currency of this certificate at the time of approval of the Bonds, unless otherwise notified.

EXECUTED AND DELIVERED this \_\_\_\_\_.

TRAVIS COUNTY CULTURAL EDUCATION FACILITIES CORPORATION

Manual Signatures

Official Titles

By: \_\_\_\_\_  
Name: Samuel T. Briscoe

President

By: \_\_\_\_\_  
Name: Margaret Gomez

Secretary

Exhibits:

A	Definitions
B-1	Articles of Incorporation
B-2	Certificate of Existence
C	Bylaws
D	Comptroller's Certificate Regarding Exemption from Payment of Franchise Taxes
E	Bond Resolution

## EXHIBIT A

### Definitions of Terms (Wayside Schools)

**Bonds:** The Series 2012A, Series 2012B and Series 2012Q Bonds, collectively.

**Bond Documents:** the Financing Documents and all other agreements, certificates, documents and instruments delivered at any time in connection with any of the Financing Documents.

**Bond Purchase Agreement:** the Bond Purchase Agreement, dated as of November \_\_, 2012, among the Underwriters, the Issuer and the Borrower, relating to the Bonds.

**Borrower:** Wayside Schools, a Texas non-profit corporation.

**Borrower Transaction Documents:** the Bond Purchase Agreement, the Deed of Trust, the Notes, and the Agreements.

**Deed of Trust:** the Deed of Trust, Security Agreement and Financing Statement, any supplement thereto, from the Borrower to the Mortgage Trustee named therein, for the benefit of the Trustee (for the benefit of the holders of the Bonds).

**Financing Documents:** the Agreements, the Bonds, the Indentures, the Notes and the Deed of Trust.

**Indenture:** Trust Indenture between the Issuer and the Trustee relating to the Bonds.

**Issuer:** Travis County Cultural Education Facilities Corporation.

**Loan Agreements:** Loan Agreements between the Issuer and the Borrower relating to the Bonds.

**Master Indenture:** the Master Trust Indenture between the Borrower and the Master Trustee.

**Master Trustee:** Wilmington Trust, National Association, a national banking association, acting as Master Trustee under the Master Indenture.

**Notes:** the three promissory notes executed by the Borrower to the Issuer evidencing under the Loan Agreements.

**Projects:** The Projects consist of those projects described in Exhibit A to the Loan Agreements.

**Series 2012A Bonds:** the Travis County Cultural Education Facilities Corporation Education Revenue Bonds (Wayside Schools) Series 2012A.

**Series 2012B Bonds:** the Travis County Cultural Education Facilities Corporation Taxable Education Revenue Bonds (Wayside Schools) Series 2012B.

**Series 2012Z Bonds:** the Travis County Cultural Education Facilities Corporation Taxable Education Revenue Bonds (Wayside Schools) Series 2012Z (Qualified Zone Academy Bonds – Direct Pay).



Sponsoring Entity: City of Austin, Texas.

Trustee: Wilmington Bank, National Association, a national banking association acting as Trustee under the Indenture.

Underwriters: B.C. Ziegler and Company and Oppenheimer & Co., Inc.

CERTIFICATE OF RESOLUTION

THE STATE OF TEXAS                   §  
COUNTY OF TRAVIS                   §

I, the undersigned Secretary of the Travis County Cultural Education Facilities Corporation (the “Issuer”) do hereby make and execute this certificate for the benefit of all persons interested in the validity of all actions and proceedings of the Issuer. I do hereby certify as follows:

1. I am the duly chosen, qualified and acting secretary of the Issuer, and in such capacity I am familiar with the matters contained in this Certificate.

2. The Board of Directors of the Issuer convened its meeting on the 30<sup>th</sup> day of October, 2012, and the roll was called of the duly constituted members of the Board of Directors as follows:

Samuel T. Biscoe	President
Sarah Eckhardt	Vice President
Margaret Gomez	Secretary
Ron Davis	Assistant Secretary
Karen Huber	Treasurer

All were present except the following absentee(s): \_\_\_\_\_.  
Whereupon, among other business, the following was transacted at said meeting: a written resolution (“Resolution”), to wit:

RESOLUTION AUTHORIZING TRAVIS COUNTY CULTURAL EDUCATION FACILITIES CORPORATION EDUCATION REVENUE BONDS (WAYSIDE SCHOOLS) SERIES 2012A, TAXABLE EDUCATION REVENUE BONDS (WAYSIDE SCHOOLS) SERIES 2012B AND TAXABLE EDUCATION REVENUE BONDS (WAYSIDE SCHOOLS) SERIES 2012Z (QUALIFIED ZONE ACADEMY BONDS – DIRECT PAY); LOAN AGREEMENTS; TRUST INDENTURES; A BOND PURCHASE AGREEMENT; A PUBLIC HEARING; AND OTHER MATTERS IN CONNECTION THEREWITH

was introduced for the consideration of the Board of Directors. It was then duly moved and seconded that said Resolution be adopted, and, after due discussion, said motion, carrying with it the adoption of said Resolution, prevailed and carried by a vote of \_\_\_ Ayes and \_\_\_ Noes.

3. A true, full and correct copy of the aforesaid Resolution adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; the Resolution has been duly recorded in the Board's minutes of the meeting; each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place and purpose of the aforesaid meeting, and that the Resolution would be introduced and considered for adoption at the meeting, and each of the officers and members consented, in advance, to the holding of the meeting for such purpose.

SIGNED on this 30<sup>th</sup> day of October, 2012.

By: \_\_\_\_\_  
Secretary

RESOLUTION AUTHORIZING TRAVIS COUNTY CULTURAL EDUCATION FACILITIES CORPORATION EDUCATION REVENUE BONDS (WAYSIDE SCHOOLS) SERIES 2012A, TAXABLE EDUCATION REVENUE BONDS (WAYSIDE SCHOOLS) SERIES 2012B AND TAXABLE EDUCATION REVENUE BONDS (WAYSIDE SCHOOLS) SERIES 2012Z (QUALIFIED ZONE ACADEMY BONDS – DIRECT PAY); LOAN AGREEMENTS; TRUST INDENTURES; A BOND PURCHASE AGREEMENT; A PUBLIC HEARING; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, Travis County, Texas (the “County”), has, pursuant to Article 1528m, Vernon’s Texas Civil Statutes, as amended (the “Act”), approved and provided for the creation of the Travis County Cultural Education Facilities Corporation (the “Issuer”) as a non-stock, non-profit corporation; and

WHEREAS, the Issuer on behalf of the County, is empowered to issue its revenue bonds to loan or otherwise provide funds to a borrower to enable the borrower to acquire, construct, enlarge, extend, repair, renovate, or otherwise improve an educational facility or any facility incidental, subordinate, or related to or appropriate in connection with an educational facility or housing facility, or for acquiring land to be used for those purposes, or to create operating and debt service reserves for and to pay issuance costs related to the bonds or other obligations, and to finance or refinance educational facilities to be used by an authorized charter school; and

WHEREAS, no public funds or credit of the County may be pledged to the payment of such revenue bonds, and such revenue bonds shall be payable solely from amounts made available to the Issuer by the educational institution or school for which such bonds are issued; and

WHEREAS, Wayside Schools, a Texas non-profit corporation (the “Company”), has requested that the Issuer issue its Bonds (defined below) and lend the proceeds thereof to the Company to finance and refinance the cost of the project (the “Project”) described in an attachment to the Agreements (as defined below); and

WHEREAS, in furtherance of the purposes of the Act, the Issuer proposes to issue its Education Revenue Bonds (Wayside Schools), Series 2012A, its Taxable Education Revenue Bonds (Wayside Schools) Series 2012B and its Taxable Education Revenue Bonds (Wayside Schools) Series 2012Z (Qualified Zone Academy Bonds – Direct Pay) in an aggregate principal amount not to exceed \$25,000,000 (together, the “Bonds”), the proceeds of which will be loaned to the Company to be used to finance and refinance costs of the Project, including the acquisition, construction, enlargement, extension, repair, renovation, or improvement thereof, as the case may be, together with certain costs incident to the issuance of the Bonds; and

WHEREAS, there have been presented to the Issuer proposed forms of each of the following:

1. Loan Agreements (the “Agreements”) between the Issuer and the Company, including the forms of promissory notes from the Company to the Issuer in the principal amounts of each series of the Bonds (the “Notes”);

2. Trust Indentures (the “Indentures”) between the Issuer and Wilmington Trust, National Association, as trustee (the “Trustee”);
3. A Preliminary Official Statement relating to the Bonds (the “Preliminary Official Statement”); and
4. Bond Purchase Agreement (the “Bond Purchase Agreement”) between the Issuer, the Company and B.C. Ziegler and Company and Oppenheimer & Co. Inc. (the “Underwriters”).

NOW THEREFORE, BE IT RESOLVED:

Section 1. The Board hereby approves and authorizes the Bonds to be issued in three series in the aggregate principal amount not to exceed \$25,000,000 to be entitled Education Revenue Bonds (Wayside Schools) Series 2012A, Taxable Education Revenue Bonds (Wayside Schools) Series 2012B and Taxable Education Revenue Bonds (Wayside Schools) Series 2012Z (Qualified Zone Academy Bonds – Direct Pay), for the purpose of providing funds for costs of the Project. The entire principal amount of the Bonds will be purchased by the Underwriters, to bear interest at rates as provided in the Indenture, subject to all terms and conditions of such sale being approved by Company.

Section 2. The Board hereby approves the Agreements in substantially the forms and substance presented to the Board and the President or Vice President is hereby authorized and directed, for and on behalf of the Issuer, to date, sign, and otherwise execute the Agreements, and the Secretary is authorized and directed, for and on behalf of the Issuer to attest the Agreements, and such officers are hereby authorized to deliver the Agreements. Upon execution by the parties thereto and delivery thereof, the Agreements shall be binding upon the Issuer in accordance with the terms and provisions thereof.

Section 3. The Board hereby approves the Indentures in substantially the forms and substance presented to the Board, and the President or Vice President is authorized and directed, for and on behalf of the Issuer, to date, sign, and otherwise execute the Indentures and the Secretary is hereby authorized to attest the Indentures on behalf of the Issuer, and such officers are hereby authorized to deliver the Indentures.

Section 4. The Board hereby approves the Bond Purchase Agreement in substantially the form and substance presented to the Board and the President or Vice President is authorized and directed, for and on behalf of the Issuer, to date, sign, and otherwise execute the Bond Purchase Agreement and the Secretary is hereby authorized to attest the Bond Purchase Agreement on behalf of the Issuer, and such officers are hereby authorized to deliver the Bond Purchase Agreement.

Section 5. A Preliminary Official Statement in substantially the final form and substance presented to the Board is hereby approved. Preparation and distribution thereof is hereby authorized and approved. The preparation and distribution of a final Official Statement based upon the terms of sale of the Bonds as herein authorized is hereby authorized and approved.

Section 6. The Board hereby approves the Bonds in substantially the form and substance set forth in the Indenture and the President, Vice President and the Secretary are hereby authorized and directed, for and on behalf of the Issuer, to execute the Bonds or have their facsimile signatures placed upon the Bonds and to submit the Bonds and a transcript of proceedings therefor to the Attorney General of the State of Texas for approval and to the Comptroller of Public Accounts of the State of Texas for registration, and such officers are hereby authorized and directed to deliver the Bonds.

Section 7. The Trustee is hereby appointed to serve as trustee under the Indentures, thereby serving as Paying Agent under the terms of the Indentures.

Section 8. The President, Vice President or the Secretary is hereby authorized to execute and deliver to the Trustee the written order or application of the Issuer for the authentication and deliver of the Bonds by the Trustee in accordance with the Indenture and to execute and deliver to The Depository Trust Company the DTC Blanket Letter of Representations between the Issuer and The Depository Trust Company.

Section 9. All action (not inconsistent with provisions of this Resolution) heretofore taken by the Board and officers of the Issuer directed toward the issuance of the Bonds and the loan of the proceeds thereof to the Borrower to finance the project shall be and the same hereby is ratified, approved, and confirmed.

Section 10. The officers of the Issuer shall take all action and execute and deliver all documents, instruments, certificates and other papers necessary or reasonably required to effectuate the issuance of the Bonds and take all action and execute and deliver all documents, instruments, certificates and other papers necessary or desirable to provide for the loan of the proceeds thereof to finance the Project and for carrying out, giving effect to, and consummating the transactions contemplated by the Bonds and this Resolution, including without limitation, the execution and delivery of any closing documents in connection with the issuance of the Bonds.

Section 11. The officers executing the documents approved by this Resolution are authorized to approve such changes to said documents as are necessary and appropriate to carry out the purposes of this Resolution as may be approved by counsel to the Issuer, including such changes as are necessary to assure that no Additional Bonds (as defined in the Agreements) may be issued without the express authorization of the Issuer.

Section 12. After any of the Bonds are issued, this Resolution shall be and remain irrevocable until the Bonds or the interest thereon shall have been fully paid or provision for payment shall have been made pursuant to the Indentures.

Section 13. If any section, paragraph, clause, or provision of the Resolution, or any application thereof, shall be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause, or provision or application thereof shall not affect any of the remaining provisions or applications of this Resolution. In case any obligation of the Issuer authorized or established by this Resolution or the Bonds is held to be in violation of law as applied to any person or in any circumstance, such obligation shall be deemed to be the obligation of the Issuer to the fullest extent permitted by law.

ADOPTED this 30<sup>th</sup> day of October, 2012.



**\$13,150,000\***

**Travis County Cultural Education Facilities Finance Corporation  
Education Revenue Bonds (Wayside Schools) Series 2012A**

**\$700,000\***

**Travis County Cultural Education Facilities Finance Corporation  
Taxable Education Revenue Bonds (Wayside Schools) Series 2012B**

**and**

**\$6,100,000\***

**Travis County Cultural Education Facilities Finance Corporation  
Taxable Education Revenue Bonds (Wayside Schools) Series 2012Z  
(Qualified Zone Academy Bonds – Direct Pay)**

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**PURCHASE CONTRACT**

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\_\_\_\_\_, 2012

Travis County Cultural Education Facilities Finance Corporation  
700 Lavaca, Suite 1560  
Austin, Texas 78701

Wayside Schools  
6215 Manchaca Road  
Austin, Texas 78213

Ladies and Gentlemen:

The undersigned, B.C. Ziegler and Company (the “Representative”), acting on its own behalf and on behalf of the other underwriters listed on Schedule I hereto (collectively, the “Underwriters” and individually an “Underwriter”), not as a fiduciary or agent for the Issuer or the School (as such terms are hereinafter defined), offers to enter into this Purchase Contract (this “Purchase Contract”) with the Travis County Cultural Education Facilities Finance Corporation, a Texas nonprofit cultural education facilities finance corporation organized and operating under the Cultural Education Facilities Finance Corporation Act, Article 1528m, Vernon’s Revised Civil Statutes, as amended (the “Issuer”), and Wayside Schools, a Texas

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\* Preliminary, subject to change

nonprofit corporation (the "School"), that operates an open-enrollment charter school under the laws of the State of Texas (the "State"), which Purchase Contract, upon the written acceptance by the Issuer and the School, as evidenced by the execution of this Purchase Contract by the President and Secretary of the Issuer (the "Issuer Representatives") and the President of the Board of Directors of the School (the "School Representative") will be binding upon the Issuer, the School and the Underwriters.

**1. Purchase and Sale of the Bonds.** Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriters hereby agree to purchase from the Issuer, and the Issuer hereby agrees to sell and deliver to the Underwriters \$13,150,000\* aggregate principal amount of Travis County Cultural Education Facilities Finance Corporation Education Revenue Bonds (Wayside Schools) Series 2012A (the "Tax-Exempt Bonds"), \$700,000\* aggregate principal amount of Travis County Cultural Education Facilities Finance Corporation Taxable Education Revenue Bonds (Wayside Schools) (Series 2012B) (the "Taxable Bonds") and \$6,100,000\* aggregate principal amount of Travis County Cultural Education Facilities Finance Corporation Taxable Education Revenue Bonds (Wayside Schools) (Series 2012Z (Qualified Zone Academy Bonds – Direct Pay) (the "Tax Credit Bonds") (the Tax-Exempt Bonds, Taxable Bonds and Tax Credit Bonds are herein collectively referred to as the "Bonds"). The Bonds shall be issued in the principal amounts, shall have the maturities, shall bear interest from the date, and shall be subject to redemption as set forth in **Exhibit A** hereto. The purchase price for the Tax-Exempt Bonds shall be \$\_\_\_\_\_ (representing the aggregate principal amount of the Tax-Exempt Bonds, plus a net premium of \$\_\_\_\_\_, less an underwriting discount of \$\_\_\_\_\_). The purchase price for the Taxable Bonds shall be \$\_\_\_\_\_ (representing the principal amount of the Taxable Bonds, less an underwriting discount of \$\_\_\_\_\_). The purchase price for the Tax Credit Bonds shall be \$\_\_\_\_\_ (representing the principal amount of the Tax Credit Bonds, less an underwriting discount of \$\_\_\_\_\_). Inasmuch as this purchase and sale represents a negotiated transaction, the Issuer and the School acknowledge and agree that: (i) the transaction contemplated by this Agreement is an arm's length, commercial transaction between the Issuer, the School, and the Underwriters in which the Underwriters are acting solely as principals and are not acting as municipal advisors, financial advisors or fiduciaries to the Issuer or the School; (ii) the Underwriters have not assumed any advisory or fiduciary responsibility to the Issuer or the School with respect to the transaction contemplated hereby and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriters have provided other services or are currently providing other services to the Issuer or the School on other matters); (iii) each of the Underwriters is acting solely in its capacity as an underwriter for its own account, (iv) the only obligations the Underwriters have to the Issuer and the School with respect to the transaction contemplated hereby expressly are set forth in this Agreement; and (v) the Issuer and the School have consulted their own legal, accounting, tax, financial and other advisors, as applicable, to the extent each has deemed appropriate.

**2. Indentures, Loan Agreements and Other Transactional Documents.** The Bonds are special and limited obligations of the Issuer, payable solely from revenues received by the Issuer pursuant to two Loan Agreements, each dated as of December 1, 2012 (the "Loan

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\* Preliminary, subject to change

Agreements”), between the Issuer and the School, as amended from time to time, and related tax-exempt, taxable and tax credit promissory notes (together, the “Master Notes”) to be issued under the Master Trust Indenture and Security Agreement, dated as of December 1, 2012, as supplemented by Supplemental Master Trust Indentures No. 1 and No. 2, each dated as of December 1, 2012 (collectively, the “Master Trust Indenture”), between the School and Wilmington Trust, National Association, as master trustee (the “Master Trustee”), and delivered to the Issuer pursuant to the Loan Agreements and, in certain circumstances, out of amounts secured by the exercise of remedies provided in the Master Notes, the Loan Agreements and the Trust Indenture and Security Agreement, dated as of December 1, 2012, relating to the Tax-Exempt Bonds and the Taxable Bonds (the “Series 2012A/Series 201B Bond Indenture”), between the Issuer and Wilmington Trust, National Association, as trustee (the “Bond Trustee”) and the Trust Indenture and Security Agreement, dated as of December 1, 2012, relating to the Tax Credit Bonds (the “Series 2012Z Bond Indenture” and, together with the Series 2012A/Series 2012B Bond Indenture, the “Bond Indentures”) between the Issuer and the Bond Trustee.

**3. Public Offering.** It shall be a condition of the obligations of the Issuer to sell and deliver the Bonds to the Underwriters, and of the obligations of the Underwriters to purchase and accept delivery of the Bonds, that the entire principal amount of the Bonds shall be sold and delivered by the Issuer and accepted and paid for by the Underwriters at the Closing (as defined below). The Underwriters agree to make a bona fide public offering of all of the Bonds at a price not to exceed the public offering price set forth in the Official Statement (as defined below) and may subsequently change such offering price without any requirement of prior notice. The Underwriters may offer and sell Bonds to certain dealers (including dealers depositing bonds into investment trusts) and others at prices lower than the public offering price stated in the Official Statement.

**4. Official Statement.** The School will cause to be prepared an Official Statement, dated of even date herewith, with respect to the Bonds. Such document, including the cover page and Appendices thereto, as further amended only in the manner herein provided, is hereinafter called the “Official Statement.” To the extent that the Issuer and the School are parties to the Master Trust Indenture, the Bond Indentures, the Loan Agreements and the Official Statement, they hereby authorize such documents. The School authorizes the information contained in the Official Statement to be used by the Underwriters in connection with the public offering and sale of the Bonds and the references to the School contained therein are hereby approved by the School. The Issuer authorizes only the information contained in the Official Statement contained under the caption “THE ISSUER.” The Issuer (only with respect to the information contained under the caption “THE ISSUER”) and the School confirm their consent to the use by the Underwriters prior to the date hereof of the Preliminary Official Statement relating to the Bonds, dated \_\_\_\_\_, 2012 (the “Preliminary Official Statement”), in connection with the preliminary public offering and sale of the Bonds, and it is duly “deemed final” by the Issuer (only with respect to the information contained under the caption “THE ISSUER”) and the School as of its date, within the meaning, and for the purposes, of Rule 15c2-12 promulgated under authority granted by the federal Securities Exchange Act of 1934 (the “Rule”). The Issuer and the School agree to cooperate with the Underwriters to provide a supply of final Official Statements within seven (7) business days of the date hereof in sufficient

quantities to comply with the Underwriters' obligations under the Rule and the applicable rules of the Municipal Securities Rulemaking Board (the "MSRB"). The Underwriters will use their best efforts to assist the Issuer and the School in the preparation of the final Official Statement in order to ensure compliance with the aforementioned rules.

If at any time after the date of this Purchase Contract to and including the date the Underwriters are no longer required pursuant to the Rule to provide the Official Statement to potential customers requesting an Official Statement (such date being the earlier of (a) ninety (90) days from the end of the underwriting period and (b) the time when the Official Statement is available to any person from the MSRB, but in no case less than twenty-five (25) days after the end of the underwriting period), any event shall occur which might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Issuer or the School, respectively, to the extent that such party has knowledge of the occurrence of such events, shall notify the Underwriters (and for the purposes of this clause provide the Underwriters with such information as it may from time to time request), and if, in the opinion of the Representative such event requires the preparation and publication of a supplement or amendment to the Official Statement, the School will at its expense cause the supplementing or amendment of the Official Statement in the form and in a manner approved by the Representative and furnish to the Underwriters a reasonable number of copies requested by the Underwriters in order to enable the Underwriters to comply with the Rule. In accordance herewith, neither the School nor the Issuer makes any representation with respect to the descriptions in the Preliminary Official Statement or the Official Statement of The Depository Trust Company, New York, New York ("DTC"), or its book-entry-only system.

As of the date thereof, the Preliminary Official Statement did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. The Underwriters agree to timely file the Official Statement with the MSRB. Unless otherwise notified in writing by the Representative, the School can assume that the "end of the underwriting period" for purposes of the Rule is the date of Closing. The School has not failed to comply with any previous undertaking specified in paragraph (b)(5)(i) of the Rule.

**5. Representations, Warranties and Agreements of the Issuer.** On the date hereof and as of the date of the delivery of the Bonds to the Underwriters hereunder (such delivery being referred to herein as the "Closing" and the date thereof as the "Closing Date"), the Issuer represents, warrants, and agrees as follows:

(a) The Issuer is a Texas nonprofit cultural education facilities finance corporation organized and operating under the Cultural Education Facilities Finance Corporation Act, Article 1528m, Vernon's Revised Civil Statutes, as amended (the "Act"), and the Issuer has the same powers, authority and rights with respect to educational facilities, housing facilities and other facilities incidental, subordinate or related thereto that a nonprofit corporation created under Section 53.35(b) of the Texas Education Code has under Chapter 53 of the Texas Education

Code. The Issuer has full legal right, power and authority to enter into this Purchase Contract, the Bond Indentures and the Loan Agreements (this Purchase Contract, the Bond Indentures and the Loan Agreements are hereinafter referred to collectively as the "Issuer Transaction Documents") and to carry out and consummate all transactions described in such agreements.

(b) By official action of the Issuer prior to or concurrently with the acceptance hereof, the Issuer has duly authorized and approved the execution and delivery of, and the performance by the Issuer of its obligations contained in, the Bonds and the Issuer Transaction Documents; and the Bonds and the Issuer Transaction Documents have been duly and validly executed and delivered by the Issuer Representatives and, to the extent required, other designated officers of the Issuer and, assuming the due authorization, execution and delivery thereof by the other parties thereto and such parties' authority to perform the Issuer Transaction Documents, the Issuer Transaction Documents constitute legal, valid and binding obligations of the Issuer enforceable against the Issuer in accordance with their respective terms (except to the extent that such enforceability may be limited by bankruptcy, insolvency, reorganization and other similar laws affecting creditors' rights generally and general principles of equity).

(c) At the time of the Issuer's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(d) If the Official Statement is supplemented or amended pursuant to Section 4 of this Agreement, at the time of each supplement or amendment thereto and at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.

(e) The Issuer is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or, to the best of its knowledge, any loan agreement, note, resolution, agreement or other instrument to which the Issuer is a party or is otherwise subject, which would have a material and adverse effect upon the business or financial condition of the Issuer, including particularly the contractual relationships with the School; and the execution and delivery of the Issuer Transaction Documents by the Issuer and the sale and delivery of the Bonds and compliance with the provisions of each thereof will not violate or constitute a breach of or default under any existing law, administrative regulation, judgment, decree, or, to its knowledge, any agreement or other instrument to which the Issuer is a party or is otherwise subject.

(f) All approvals, consents and orders of any governmental authority or agency having jurisdiction of any matter which would constitute a condition precedent to the performance by the Issuer of its obligations hereunder have been obtained or will be obtained prior to the Closing.

(g) No litigation is pending or, to the knowledge of the Issuer, threatened in any court affecting the corporate existence of the Issuer or the title of its officers to their respective offices, or seeking to restrain or enjoin the offering and sale of the Bonds, or affecting the collection or application of receipts or assets of the Issuer pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or the Issuer Transaction Documents, or contesting the powers of the Issuer, or any authority for the Bonds or the Issuer Transaction Documents.

(h) The Issuer will cooperate with the Underwriters in arranging for the qualification of the Bonds for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriters may designate, and will use its best efforts to continue such qualifications in effect so long as the Bonds are being offered by the Underwriters; provided, however, that the Issuer will not be required to execute a special or general consent to service of process or qualify to do business in connection with any such qualification in any jurisdiction and the Issuer shall incur no cost or expense in connection with action taken under this subparagraph.

(i) The Issuer Representatives have been duly authorized to act on behalf of the Issuer for the purpose of taking all actions provided for herein.

**6. Representations, Warranties and Agreements of the School.** On the date hereof and the Closing Date, the School represents, warrants and agrees as follows:

(a) The School is a nonprofit corporation duly created under the Texas Nonprofit Corporation Act and currently operating under Chapter 22, Texas Business Organizations Code, with the corporate power and authority to enter into this Purchase Contract, the Master Trust Indenture, the Master Notes and the Loan Agreements (this Purchase Contract, the Master Trust Indenture, the Master Notes and the Loan Agreements are hereinafter collectively referred to as the "School Transaction Documents");

(b) The open-enrollment school for which the facilities are being financed is an "authorized charter school," as such term is defined in Section 53.02(10), Texas Education Code, as amended.

(c) The School has been determined to be and is exempt from federal income taxes under section 501(a) of the Internal Revenue Code of 1986, as amended (the "Code"), by virtue of being an organization described in section 501(c)(3) of the Code, is not a "private foundation" as defined in section 509(a) of the Code, and has done nothing to impair its status as a tax-exempt organization; and the School shall not take any action or permit any action to be taken on its behalf, or cause or permit any circumstance within its control to arise or continue, if such action or circumstance would result in the loss of exemption from federal income taxation of the interest on the Tax-Exempt Bonds, the loss by the School of its tax-exempt status under the Code, or the taking of formal action by the Internal Revenue Service, such action being inconsistent with the continued validity and effectiveness of the determination letter with respect to the School from the Internal Revenue Service.

(d) The representations and warranties of the School in Sections 2.1 of the Loan Agreements, which are hereby incorporated herein by reference, are true and correct.

(e) The School is not in breach of or default under any applicable law or administrative regulation of the State or the United States or any applicable judgment or decree or any loan agreement, note, resolution, agreement or other instrument to which the School is a party or is otherwise subject, that would have a material and adverse effect upon the business or financial condition of the School, including particularly the contractual relationships with the Issuer; and the execution and delivery of the School Transaction Documents by the School and the offering, sale and delivery of the Bonds and compliance with the provisions of each thereof will not violate or constitute a breach of or default under any existing law, administrative regulation, judgment, decree, or any agreement or other instrument to which the School is a party or is otherwise subject.

(f) (i) Any certificate signed by an authorized officer of the School delivered to the Issuer or the Underwriters shall be deemed a representation and warranty by the School to such party as to the statements made therein; (ii) the written information furnished by representatives of the School to the Issuer (except the information relating to DTC, as to which the School makes no representation) or to counsel for and representatives of the Underwriters in connection with the execution and delivery of the School Transaction Documents and the offering and sale of the Bonds does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (iii) the Official Statement (except the information relating to DTC, as to which the School makes no representation) (including, particularly, but without limitation, Appendix A, Appendix B and Appendix C thereto) does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in the light of the circumstances under which they are or were made; provided, that no representation is made with respect to any statements or omissions from the Official Statement furnished by the Underwriters or the Issuer specifically for use in the Official Statement.

(g) Except as described in the Official Statement, no litigation is pending or, to the knowledge of the School, threatened in any court (i) affecting the corporate existence of the School or the title of its officers to their respective offices; seeking to restrain or enjoin the execution and delivery of the Bond Indentures; the execution and delivery of the School Transaction Documents; the offering and delivery of the Bonds; the collection or application of receipts or assets of the School expected to be used to pay the Loan Payments under the Loan Agreements, and ultimately to secure the payment of the principal of and interest on the Bonds, (ii) in any way contesting or affecting the validity or enforceability of the Bonds or the School Transaction Documents, (iii) in any way contesting the powers of the School, or any authority for the Bonds or the School Transaction Documents, (iv) in any way contesting the completeness, accuracy, or fairness of the Official Statement, (v) in any way contesting or affecting the status of the School as an organization described in section 501(c)(3) of the Code, or (vi) except as described in the Official Statement, materially and adversely affecting the financial condition of the School.

(h) The School will cooperate with the Underwriters in arranging for the qualification of the Bonds for sale and the determination of their eligibility for investment under the laws of such jurisdictions as the Underwriters may designate, and will use its best efforts to continue such qualifications in effect so long as the Bonds are being offered by the Underwriters; provided, however, that the School will not be required to execute a special or general consent to service of process or qualify to do business in connection with any such qualification in any jurisdiction.

(i) Between the respective dates as of which information is given in the Official Statement and the Closing Date, (i) there will have been no material adverse change in the business, properties, or financial condition of the School and (ii) there will have been no material transactions entered into by the School other than those in the ordinary course of business.

(j) The School Transaction Documents will be, on the Closing Date, valid and binding obligations of the School enforceable in accordance with their respective terms.

(k) At the time of the Closing and upon payment of the prior debt, the pledge of the revenues, the real property and the other assets of the School will not be subject to any mortgage, pledge, lien, adverse claim, charge, or encumbrance, except as provided in the Indenture and Master Indenture.

(l) The financial statements and other financial information of the School included in the Official Statement fairly present the financial condition and results of operations of the School for the periods specified therein, and such financial statements have been prepared on an accrual basis consistently applied.

(m) At the time of the School's acceptance hereof and (unless the Official Statement is amended or supplemented pursuant to Section 4 of this Agreement) at all times subsequent thereto during the period up to and including the date of Closing, the Official Statement does not and will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

(n) If, prior to the Closing Date, an event occurs affecting the School that is materially adverse for the purpose for which the Official Statement is to be used and is not disclosed in the Official Statement, the School shall notify the Representative, and if in the opinion of the Representative such event requires a supplement or amendment to the Official Statement, the School will supplement or amend the Official Statement in a form and in a manner approved by the Representative.

(o) If the Official Statement is supplemented or amended pursuant to Section 4 of this Agreement, at the time of each supplement or amendment thereto and at all times subsequent thereto during the period up to and including the date of Closing the Official Statement as so supplemented or amended will not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which made, not misleading.



(p) The School represents and warrants that to the full extent required from time to time by applicable laws and constitutional provisions of the United States of America and the State in order for the transactions provided for in the Loan Agreements to be made and effected in compliance with such laws and constitutional provisions: (i) no part of the improvements financed in whole or in part with proceeds of the Bonds shall be used for sectarian instruction or as a place of religious worship and (ii) notwithstanding the payment in full of the Loan Payments and the Bonds, and notwithstanding the termination of the Loan Agreements, each such part of such improvements shall continue to be subject to the restrictions set out in clause (i) above for so long as such provisions are applicable and for so long as the improvements are owned by the School or any voluntary grantee of the School; provided, the continuance of such restriction is necessary to preserve the exemption from federal income taxation of interest on the Tax-Exempt Bonds under the Code.

(q) The School has received all necessary approvals for the execution and delivery of the School Transaction Documents by the School and the performance by the School of its obligations thereunder.

**7. Indemnification.** As a further inducement to the Issuer and the Underwriters to enter into this Purchase Contract and to perform their obligations hereunder, the School agrees with the Issuer and the Underwriters as follows:

(a) THE SCHOOL WILL INDEMNIFY THE ISSUER AND THE UNDERWRITERS, THEIR OFFICERS, EMPLOYEES, ATTORNEYS AND AGENTS (THE "INDEMNIFIED PARTIES") AND HOLD THE INDEMNIFIED PARTIES HARMLESS AGAINST ANY LOSSES, CLAIMS, DAMAGES OR LIABILITIES, JOINT OR SEVERAL, TO WHICH SUCH INDEMNIFIED PARTIES MAY BECOME SUBJECT, UNDER THE SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), OR THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED (THE "EXCHANGE ACT"), OR OTHERWISE, INsofar AS SUCH LOSSES, CLAIMS, DAMAGES OR LIABILITIES (OR ACTIONS IN RESPECT THEREOF) ARISE OUT OF OR ARE BASED UPON ANY UNTRUE STATEMENT OR ALLEGED UNTRUE STATEMENT OF ANY MATERIAL FACT CONTAINED IN THE OFFICIAL STATEMENT OR ANY AMENDMENT OR SUPPLEMENT THERETO (EXCEPT THE INFORMATION RELATING TO DTC, AS TO WHICH THE SCHOOL MAKES NO REPRESENTATION), OR ARISE OUT OF OR ARE BASED UPON THE OMISSION OR ALLEGED OMISSION TO STATE THEREIN, IN THE LIGHT OF THE CIRCUMSTANCES IN WHICH THEY WERE MADE, A MATERIAL FACT NECESSARY IN ORDER TO MAKE THE STATEMENTS CONTAINED THEREIN NOT MISLEADING AND WILL REIMBURSE EACH OF THE INDEMNIFIED PARTIES FOR ANY LEGAL AND OTHER EXPENSES REASONABLY INCURRED BY SUCH INDEMNIFIED PARTY IN CONNECTION WITH INVESTIGATING OR DEFENDING ANY SUCH LOSS, CLAIM, DAMAGE, LIABILITY OR ACTION; PROVIDED, HOWEVER, THAT THE SCHOOL (I) WILL NOT BE LIABLE TO THE UNDERWRITERS IN ANY SUCH CASE TO THE EXTENT THAT ANY SUCH LOSS, CLAIM, DAMAGE OR LIABILITY ARISES OUT OF OR IS BASED UPON AN UNTRUE STATEMENT OR OMISSION OR ALLEGED OMISSION MADE IN ANY OF SUCH DOCUMENTS IN RELIANCE UPON AND IN CONFORMITY WITH WRITTEN INFORMATION

FURNISHED TO THE SCHOOL BY THE UNDERWRITERS SPECIFICALLY FOR USE THEREIN (EXCEPT THE INFORMATION RELATING TO DTC, AS TO WHICH THE SCHOOL MAKES NO REPRESENTATION) AND (II) WILL NOT BE LIABLE TO THE ISSUER IN ANY SUCH CASE TO THE EXTENT THAT ANY SUCH LOSS, CLAIM, DAMAGE OR LIABILITY ARISES OUT OF OR IS BASED UPON AN UNTRUE STATEMENT OR OMISSION OR ALLEGED OMISSION MADE IN ANY OF SUCH DOCUMENTS UNDER THE CAPTION "THE ISSUER." THIS INDEMNITY AGREEMENT WILL BE IN ADDITION TO ANY LIABILITY WHICH THE SCHOOL MAY OTHERWISE HAVE. THE INDEMNIFICATION PROVISIONS HEREIN SHALL APPLY EVEN IF THE INDEMNIFIED PARTY IS DETERMINED TO BE NEGLIGENT.

(b) Promptly after receipt by an Indemnified Party hereunder of notice of the commencement of any action, such Indemnified Party will, if a claim in respect thereof is to be made against the School hereunder, notify the School of the commencement thereof; but the omission so to notify the School will not relieve the School from any liability that it may have to any Indemnified Party otherwise than hereunder nor affect any rights the School might have otherwise than hereunder to participate in and/or assume the defense of any action brought against any Indemnified Party. In case any such action is brought against any Indemnified Party and it notifies the School of the commencement thereof, the School will be entitled to participate in such action and, to the extent that it may wish, to assume the defense thereof, as allowed by law, with counsel reasonably satisfactory to such Indemnified Party (who may, with the consent of the Indemnified Party, be counsel to the School). Notwithstanding the School's election to appoint counsel to represent the Indemnified Party in an action, the Indemnified Party shall have the right to employ separate counsel (including local counsel), and the School shall bear the reasonable fees, costs and expenses of such separate counsel if (i) the use of counsel chosen by the School to represent the Indemnified Party would present such counsel with a conflict of interest; (ii) the actual or potential defendants in, or targets of, any such action include both the Indemnified Party and the School and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it and/or other Indemnified Parties that are different from or additional to those available to the School; (iii) the School shall not have employed counsel reasonably satisfactory to the Indemnified Party to represent the Indemnified Party within a reasonable time after notice of the institution of such action; or (iv) the School shall authorize the Indemnified Party to employ separate counsel at the expense of the School. After notice from the School to such Indemnified Party of its election so to assume the defense thereof, the School will not be liable to such Indemnified Party hereunder for any legal or other expenses subsequently incurred by such Indemnified Party in connection with the defense thereof, other than reasonable costs of investigation. The School shall not be liable for the payment of any amounts in respect of any settlement entered into without its consent.

(c) In the event that the indemnity provided in paragraph (a) of this Section 7 is unavailable to or insufficient to hold harmless an Indemnified Party in respect of any losses, claims, damages or liabilities (or actions in respect thereof) of the type subject to indemnification hereunder, the School shall, in lieu of indemnifying such person, contribute to the aggregate losses, claims, damages and liabilities (including legal or other expenses reasonably incurred in connection with investigating or defending same) (collectively "Losses") to which the Indemnified Party may be subject in such proportion as is appropriate to reflect the relative

benefits received by the School, the Issuer and the Underwriters from the offering of the Bonds. If the allocation provided by the immediately preceding sentence is unavailable for any reason, the School shall contribute in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Issuer and the Underwriters in connection with the statements or omissions that resulted in such Losses, as well as any other relevant equitable considerations. Benefits received by the School shall be deemed to be equal to the total net proceeds from the offering (before deducting expenses) received by it, and benefits received by the Underwriters shall be deemed to be equal to the total underwriting discount for the Bonds received by the Underwriters. In no case shall the relative fault of the Underwriters for purposes of such calculation exceed the amount of the underwriting discount applicable to the Bonds purchased by the Underwriters pursuant to this Purchase Contract. Relative fault shall be determined by reference to, among other things, whether any untrue or any alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information provided by the School, the Issuer or the Underwriters, the intent of the parties, and their relative knowledge, information and opportunity to correct or prevent such untrue statement or omission. The School, the Issuer and the Underwriters agree that it would not be just and equitable if contribution pursuant to this paragraph were determined by pro rata allocation or any other method of allocation that does not take account of the equitable considerations referred to above. Notwithstanding the provisions of this paragraph (c), no person guilty of gross negligence, fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) or other intentional misconduct shall be entitled to contribution from any person who was not guilty of such gross negligence, fraudulent misrepresentation, or other intentional misconduct. For purposes of this Section 7, each person who controls the Underwriters within the meaning of either the Securities Act or the Exchange Act and each director, officer and employee of the Underwriters shall have the same rights to contribution as the Underwriters, and each person who controls the Issuer within the meaning of either the Securities Act or the Exchange Act and each official, director, officer and employee of the Issuer shall have the same rights to contribution as the Issuer, subject in each case to the applicable terms and conditions of this paragraph (c). Notwithstanding the foregoing, it is hereby recognized that the Issuer is a conduit issuer and as such the Issuer does not receive any benefits from the offering of the Bonds, and therefore it deserves priority in the receipt of contribution.

**8. Closing.** At 10:00 a.m., Central time, on December \_\_, 2012, or such other date and time as shall have been mutually agreed upon by the Issuer and the Representative, the Issuer will deliver the initial Bonds (as provided for in the Bond Indentures) to the Representative and, provided the Representative shall have made arrangements with The Depository Trust Company (“DTC”) for the Bonds to be qualified for trading as book-entry-only securities through the facilities of DTC, the Issuer shall take appropriate steps to provide DTC with one definitive security certificate for each series and year of maturity of the Bonds, and to provide the Underwriters with the other documents hereinafter mentioned, and the Underwriters will accept such delivery and pay the purchase price of the Bonds as set forth in Paragraph 1 hereof in immediately available funds. Delivery and payment as aforesaid shall be made at the offices of Andrews Kurth LLP, Houston, Texas (“Bond Counsel”), or such other place, as shall have been mutually agreed upon by the Issuer and the Underwriters; provided, however, that a pre-closing shall be held in the aforesaid offices of Bond Counsel, commencing at 2:00 PM, Central time, on December \_\_, 2012, during which the Underwriters and counsel to the

Underwriters shall have an opportunity to inspect the documents described in Paragraph 9(d) below.

**9. Conditions to Closing.** The Underwriters have entered into this Purchase Contract in reliance upon the representations and warranties of the Issuer and the School contained herein and to be contained in the documents and instruments to be delivered at the Closing, and upon the performance by the Issuer and the School of their respective obligations hereunder as of the Closing Date. Accordingly, the Underwriters' obligations under this Purchase Contract shall be subject to the performance by the Issuer and the School of their obligations to be performed hereunder and under such documents and instruments at or prior to the Closing, and shall also be subject to the following conditions:

(a) The Issuer Transaction Documents and the School Transaction Documents (collectively, the "Transaction Documents") shall be in full force and effect, and the Transaction Documents shall not have been amended or supplemented, except as may have been agreed to by the Underwriters.

(b) All official action of the Issuer related to the Issuer Transaction Documents shall be in full force and effect.

(c) The School shall not have failed to pay principal or interest when due on any of its outstanding obligations for borrowed money.

(d) At the Closing, the Underwriters shall have received the following documents, in each case satisfactory in form, scope and substance to the Underwriters:

(i) (A) fully executed copies of the Issuer Transaction Documents with appropriate resolution(s) of the Issuer approving the Issuer Transaction Documents and the execution thereof by officers of the Issuer and (B) fully executed copies of the School Transaction Documents with appropriate resolutions of the Board of Directors of the School approving the School Transaction Documents and the execution thereof by officers of the School (the Loan Agreements shall contain the agreement of the School, in form satisfactory to the Representative, which is described under the heading "CONTINUING DISCLOSURE OF INFORMATION" in the Preliminary Official Statement);

(ii) an opinion of Bond Counsel in form and substance of Appendix C to the Official Statement (together with a letter addressed to the Underwriters authorizing them to rely on said opinion) and a supplemental opinion, dated the Closing Date, of Bond Counsel, addressed to the Underwriters, to the effect that (A) in its capacity as Bond Counsel, such firm has reviewed the information in the Official Statement (i) under the captions "LEGAL MATTERS," "TAX MATTERS FOR SERIES 2012A BONDS," "TAX MATTERS FOR SERIES 2012B AND SERIES 2012Z BONDS," "THE SYSTEM OF CHARTER SCHOOLS IN TEXAS," "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS," "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" and "LEGAL INVESTMENT AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS," and is of the opinion that the information therein is correct as to

matters of law, and (ii) under the captions “THE BONDS,” “SECURITY AND SOURCE OF PAYMENT,” “CONTINUING DISCLOSURE OF INFORMATION” (except for the information under the sub-caption “Compliance With Prior Undertakings,” as to which no opinion is expressed), “APPENDIX E – SUBSTANTIALLY FINAL FORM OF MASTER TRUST INDENTURE,” “APPENDIX F – SUBSTANTIALLY FINAL FORMS OF TRUST INDENTURE AND SECURITY AGREEMENTS,” “APPENDIX G – SUBSTANTIALLY FINAL FORMS OF LOAN AGREEMENTS” and such firm is of the opinion that the information contained therein fairly summarizes the documents referred to therein; and (B) the Bonds are exempt from registration pursuant to the Securities Act and the Master Trust Indenture and the Bond Indentures are exempt from qualification as indentures pursuant to the Trust Indenture Act of 1939, as amended;

(iii) an opinion of Andrews Kurth LLP, as Counsel to the School, dated the Closing Date, addressed to the Underwriters, and addressing the points set forth in **Exhibit B** hereto;

(iv) an opinion of Naman, Howell, Smith & Lee, PLLC, Counsel to the Issuer, dated the Closing Date, addressed to the Underwriters, and addressing the points set forth in **Exhibit C** hereto;

(v) an opinion of McGuire, Craddock & Strother, P.C., Counsel to the Bond Trustee and Master Trustee, dated the Closing Date, addressed to the Underwriters, and addressing the points set forth in **Exhibit D** hereto;

(vi) an opinion of Haynes and Boone, LLP, Counsel to the Underwriters, dated the Closing Date and addressed to the Underwriters in a form satisfactory to the Underwriters;

(vii) the approving opinion of the Attorney General of the State with respect to the Bonds and the Comptroller of Texas’ Certificate of Registration of the Initial Bonds;

(viii) a certificate signed by the School Representative to the effect that (A) the representations and warranties of the School contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (B) except as described in the Official Statement, no litigation is pending or, to the best of such person’s knowledge, threatened in any court to restrain or enjoin the offering, sale or delivery of the Bonds, or the collection or application of the revenues and assets of the School expected to be used to pay the School’s obligations under the Loan Agreements, or in any way contesting or affecting the validity of the Bonds or the School Transaction Documents, or contesting the powers of the School or contesting the authorization of the Bonds or the School Transaction Documents, or contesting in any way the accuracy, completeness or fairness of the Official Statement (but in lieu of or in conjunction with such certificate, the Representative may, in its sole discretion, accept certificates or opinions of the attorney for the School that, in his or her opinion, the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (C) the content of the Official Statement, the use thereof in the offering and sale of the Bonds, and references to the School contained

therein, are approved; (D) the Official Statement (including particularly, but without limitation, Appendix A, Appendix B and Appendix C thereto) does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in light of the circumstances under which they were made; (E) to the best of such person's knowledge, no event affecting the School has occurred since the date of the furnishing of financial or operational information to the Underwriters which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (F) there has not been any material and adverse change in the affairs or financial condition of the School from that described in the Official Statement;

(ix) a certificate signed by the Issuer Representative to the effect that (A) the representations and warranties of the Issuer contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date; (B) except as described in the Official Statement, no litigation is pending or, to the best of such person's knowledge, threatened in any court to restrain or enjoin the offering, sale or delivery of the Bonds, or the collection or application of the revenues of the Issuer pledged or to be pledged to pay the principal of and interest on the Bonds, or the pledge thereof, or in any way contesting or affecting the validity of the Bonds or the Issuer Transaction Documents, or contesting the powers of the Issuer or contesting the authorization of the Bonds or the Issuer Transaction Documents, or contesting in any way the accuracy, completeness, or fairness of the Official Statement (but in lieu of or in conjunction with such certificate the Representative may, in its sole discretion, accept certificates or opinions of the attorney for the Issuer that, in such attorney's opinion, the issues raised in any such pending or threatened litigation are without substance or that the contentions of all plaintiffs therein are without merit); (C) the content of the Official Statement contained under the caption "THE ISSUER" and the use thereof in the offering and sale of the Bonds, and references to the Issuer contained therein, are approved; (D) the information contained under the caption "THE ISSUER" in the Official Statement does not include any untrue statement of a material fact or omit to state any material fact necessary to make the statements therein not misleading in any material respect in light of the circumstances under which they were made; (E) to the best of such person's knowledge, no event affecting the Issuer has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; (F) no event has occurred and no condition exists which, with notice or passage of time, would constitute default or an event of default by the Issuer under the Bond Indentures; (G) there are no legal or governmental proceedings involving the Issuer, pending or threatened, or any basis therefore, which in any way questions the powers of the Issuer or the validity of any proceeding undertaken by the Issuer in connection with the issuance or delivery of the Bonds, wherein an unfavorable decision, ruling or finding would adversely affect the validity, enforceability or security of the Bonds, or the transactions contemplated thereby; and (H) to the best of such person's knowledge, the execution and delivery of the Bonds and the Issuer Transaction Documents will not conflict with, constitute a breach of or

default under, or constitute the violation of any provision of, any existing resolution of the Issuer or any indenture, mortgage, deed of trust, indebtedness, agreement, judgment, decree, order or other instrument to which the issuer is subject or by which it or its property is or may be bound;

(x) the Official Statement approved by the Board of Directors of the School, by the time and in the quantities required to permit the Underwriters to comply with the Rule;

(xi) evidence of the rating on the Bonds of "BB+" by Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC business, in a form acceptable to the Representative;

(xii) evidence satisfactory to the Representative to the effect that all conditions precedent to the incurrence of indebtedness by the School have been met, waived and/or consented to which may exist under any loan agreement, reimbursement agreement or similar instruments containing restrictions on the ability of the School to borrow and/or expend funds, including all necessary approvals for the execution and delivery of the School Transaction Documents by the School and the performance by the School of its obligations thereunder; and

(xiii) such additional legal opinions, certificates, instruments and other documents as Bond Counsel, the Underwriters or counsel to the Underwriters may reasonably request to evidence the truth, accuracy and completeness of the School's representations and warranties contained in this Purchase Contract and of the statements and information provided to the Underwriters and the due performance and satisfaction by the School at or prior to the Closing Date of all agreements then to be performed and all conditions then to be satisfied by the School.

If the Issuer and the School shall be unable to satisfy the conditions contained in this Purchase Contract, this Purchase Contract shall terminate and neither the Underwriters, the Issuer nor the School shall be under further obligation hereunder, except that the respective obligations of the Issuer, the School, and the Underwriters set forth in Paragraphs 7 and 11 hereof shall continue in full force and effect.

All of the opinions, letters, certificates, instruments, and other documents mentioned above or elsewhere in this Purchase Contract shall be deemed to be in compliance with the provisions hereof if, but only if, they are reasonably satisfactory to the Underwriters and counsel to the Underwriters.

**10. Termination.** The Representative may terminate the obligation of the Underwriters to purchase the Bonds (as evidenced by a written notice to the Issuer and the School terminating the obligation of the Underwriters to accept delivery of and pay for the Bonds) at any time before the Closing Date if any of the following should occur:

(a) (i) Legislation shall have been enacted by the Congress of the United States, or recommended to the Congress for passage by the President of the United States or favorably

reported for passage to either House of the Congress by any Committee of such House, or (ii) a decision shall have been rendered by a court established under Article III of the Constitution of the United States or by the United States Tax Court, or (iii) an order, ruling or regulation shall have been issued or proposed by or on behalf of the Treasury Department of the United States or the Internal Revenue Service or any other agency of the United States, or (iv) a release or official statement shall have been issued by the President of the United States or by the Treasury Department of the United States or by the Internal Revenue Service, the effect of which, in any such case described in clause (i), (ii), (iii) or (iv) would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Tax-Exempt Bonds or upon income of the general character to be derived by the School, other than any imposition of federal income taxes upon interest received on obligations of the general character as the Tax-Exempt Bonds on the date hereof and other than as disclosed in the Official Statement, in such a manner as in the reasonable judgment of the Representative would materially impair marketability or materially reduce the market price of obligations of the general character of the Bonds.

(b) Any action shall have been taken by the Securities and Exchange Commission or by a court which would require registration of any security under the Securities Act, or qualification of any indenture under the Trust Indenture Act of 1939, as amended, in connection with the public offering of the Bonds, or any action shall have been taken by any court or by any governmental authority suspending the use of the Official Statement or any amendment or supplement thereto, or any proceeding for that purpose shall have been initiated or threatened in any such court or by any such authority.

(c) (i) The Constitution of the State shall be amended or an amendment shall be proposed, or (ii) legislation shall be enacted, or (iii) a decision shall have been rendered as to matters of State law or (iv) any order, ruling, or regulation shall have been issued or proposed by or on behalf of the State by an official, agency or department thereof, affecting the tax status of the Issuer or the School, their property or income, their debt obligations (including the Bonds), or the interest thereon, which in the reasonable judgment of the Representative would materially and adversely affect the market price of the Bonds.

(d) (i) A general suspension of trading in debt securities shall have occurred on the New York Stock Exchange, or (ii) the United States shall have become engaged in hostilities (including the escalation of any hostilities existing on the date hereof, whether or not foreseeable), or (iii) there shall have occurred any national or international calamity or crisis in the financial markets or otherwise of the United States or elsewhere, the effect of which, in each case described in clause (i), (ii) or (iii), is, in the reasonable judgment of the Representative, so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Bonds on the terms and in the manner contemplated in this Purchase Contract and the Official Statement.

(e) An event described in Paragraph 6(m) hereof occurs which, in the opinion of the Representative, requires a supplement or amendment to the Official Statement that is deemed by it, in its discretion, to materially and adversely affect the market for the Bonds.



(f) A general banking moratorium shall have been declared by authorities of the United States, the State of New York, or the State of Texas.

(g) Any materially adverse change in the affairs or financial condition of the School.

(h) There shall have occurred or any published notice shall have been given of any intended review, which action results in a downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any rating accorded the Bonds.

#### **11. Fees and Expenses.**

(a) The School shall pay all expenses incident to the issuance of the Bonds, including but not limited to: (i) the cost of the preparation, printing and distribution of the Preliminary Official Statement and the Official Statement; (ii) the cost of the preparation and printing of the Bonds; (iii) the fees and expenses of the Trustee, the Master Trustee, the Issuer, Bond Counsel, Counsel to the Underwriters, Counsel to the Bond Trustee and Master Trustee, Counsel to the Issuer and Counsel to the School; (iv) the fees and disbursements of the School's accountants, advisors and of any other experts or consultants retained by the School; and (v) the fees for bond ratings and municipal bond insurance, if any, for the Bonds and any travel or other expenses incurred incident thereto.

(b) The School acknowledges that the Underwriters will pay from the Underwriters' expense allocation of the underwriting discount the applicable per bond assessment charged by the Municipal Advisory Council of Texas, a non-profit corporation whose purpose is to collect, maintain and distribute information relating to issuing entities of municipal securities.

(c) The School acknowledges that it has had an opportunity, in consultation with such advisors as it may deem appropriate, if any, to evaluate and consider the fees and expenses being incurred as part of the issuance of the Bonds.

(d) The Underwriters shall pay all advertising expenses in connection with the offering of the Bonds.

**12. Notices.** Any notice or other communication to be given to the Issuer and the School under this Purchase Contract may be given by delivering the same in writing at the respective addresses for the Issuer and the School set forth above, and any notice or other communication to be given to the Underwriters under this Purchase Contract may be given by delivering the same in writing to B.C. Ziegler and Company, at 200 S. Wacker Dr., Suite 2000, Chicago, IL 60606, Attention: Paula Permenter.

**13. Parties in Interest.** This Purchase Contract is made solely for the benefit of the Issuer, the School and the Underwriters (including the successors or assigns of the Underwriters) and no other person shall acquire or have any right under this Purchase Contract. The representations, warranties and agreements of the Issuer and the School contained in this Purchase Contract shall remain operative and in full force and effect, regardless of (a) any investigations made by or on behalf of the Underwriters and (b) the delivery of the Bonds hereunder; and the representations and warranties of the Issuer and the School contained in

Paragraphs 5 and 6 of this Purchase Contract, respectively, shall remain operative and in full force and effect, regardless of any termination of this Purchase Contract.

**14. Execution in Counterparts.** This Purchase Contract may be executed in any number of counterparts, all of which taken together shall constitute one and the same instrument, and any of the parties hereto may execute this Purchase Contract by signing any such counterpart.

**15. Severability.** If any provision of this Purchase Contract shall be held or deemed to be or shall, in fact, be invalid, inoperative or unenforceable as applied in any particular case in any jurisdiction or jurisdictions, or in all jurisdictions because it conflicts with any provisions of any constitution, statute, rule of public policy, or for any other reason, such circumstances shall not have the effect of rendering the provision in question invalid, inoperative, or unenforceable in any other case or circumstances, or of rendering any other provision inoperative, or unenforceable to any extent whatever.

**16. Choice of Law.** This Purchase Contract shall be governed by and construed in accordance with the laws of the State of Texas.

**17. Effective Date.** This Purchase Contract shall become effective upon the execution of the acceptance hereof by the representatives of the Issuer and the School indicated below, and shall be valid and enforceable as of the time of such acceptance.

**18. No Personal Liability.** None of the members of the boards of the School or the Issuer, nor any officer, agent or employee of the School or Issuer, shall be charged personally by the Underwriters with any liability, or be held personally liable to the Underwriters under any term or provision of this Agreement, or because of execution or attempted execution, or because of any breach or attempted or alleged breach, of this Agreement.

**[Execution pages follow]**

Very truly yours,

**B.C. ZIEGLER AND COMPANY,  
as Representative of the Underwriters**

By: \_\_\_\_\_  
Authorized Representative

Accepted:

This \_\_\_\_\_, 2012

\_\_\_\_\_.m. Central/\_\_\_\_\_.m. Eastern Time

By: \_\_\_\_\_

President, Board of Directors  
Travis County Cultural Education Facilities Finance Corporation

Attest:

By: \_\_\_\_\_

Secretary, Board of Directors  
Travis County Cultural Education Facilities Finance Corporation

Accepted:

This \_\_\_\_\_, 2012

\_\_\_\_\_ .m. Central/ \_\_\_\_\_ .m. Eastern Time

By: \_\_\_\_\_  
President, Board of Directors  
Wayside Schools

**SCHEDULE I**  
**UNDERWRITERS**

B.C. Ziegler and Company, Senior Manager  
Oppenheimer & Company, Inc., Co-Manager

**EXHIBIT A**

Dated Date: December 1, 2012  
(Interest to accrue from Date of Delivery)

**\$13,150,000\***

**Travis County Cultural Education Facilities Finance Corporation  
Education Revenue Bonds (Wayside Schools) Series 2012A**

Maturity Schedule

<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP No.</u>
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**\$700,000\***

**Travis County Cultural Education Facilities Finance Corporation  
Taxable Education Revenue Bonds (Wayside Schools) Series 2012B**

Maturity Schedule

<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP No.</u>
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**6,100,000\***

**Travis County Cultural Education Facilities Finance Corporation  
Taxable Education Revenue Bonds (Wayside Schools) Series 2012Z  
(Qualified Zone Academy Bonds – Direct Pay)**

<u>Maturity</u> <u>(August 15)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Initial</u> <u>Yield</u>	<u>CUSIP No.</u>
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- (a) The Series 2012A Bonds and the Series 2012Z Bonds scheduled to mature on or after August 15, 2021, are subject to redemption, at the option of the School, in whole or in part, on \_\_\_\_\_, or any date thereafter, at the par value thereof, plus accrued interest thereon to the date of redemption.

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\* Preliminary, subject to change

## **EXHIBIT B**

### **Points to be Covered in Opinion of Counsel to the School**

Capitalized terms used below have the meanings given to such terms in the body of the Purchase Contract.

1. The School is duly organized and validly existing in good standing as a nonprofit corporation under the Constitution and laws of the State of Texas, with full corporate power and authority to own its properties and to conduct its business and affairs as described in the Official Statement.

2. The School has full corporate power and corporate authority to authorize, execute and deliver the School Transaction Documents and to perform its obligations under, and carry out and consummate all other transactions described in or contemplated by, the School Transaction Documents.

3. The School Transaction Documents have been duly authorized, executed and delivered by the School and constitute the legal, valid and binding obligations of the School, enforceable against the School in accordance with their respective terms, subject to the exception that enforceability (i) may be limited by bankruptcy, insolvency, reorganization, moratorium, or other similar laws relating to the enforcement of creditors' rights generally and (ii) is subject to general principles of equity (regardless of whether such enforceability is considered in a proceeding in equity or at law).



## EXHIBIT C

### Points to be Covered in Opinion of Counsel to the Issuer

Capitalized terms used below have the meanings given to such terms in the body of the Purchase Contract.

(1) The Issuer is a public nonprofit cultural facilities corporation, duly created, organized, existing and in good standing under the provisions of the Act. The Issuer has full right, power and authority to enter into the Issuer Transaction Documents, and to carry out and consummate all other transactions contemplated by each of the aforesaid documents.

(2) The Issuer has duly and validly authorized the execution and delivery of the Issuer Transaction Documents and any and all other financing statements and all other agreements relating thereto and the Issuer has complied with all provisions of applicable law in all matters relating to such transactions.

(3) The Issuer Transaction Documents have been duly authorized, executed and delivered by the Issuer, are in full force and effect and are legal, valid and binding instruments of the Issuer enforceable in accordance with their terms, except to the extent that enforceability thereof may be limited by bankruptcy, reorganization, insolvency, moratorium or other laws of general application relating to or affecting enforcement of creditors' rights and general principles of equity.

(4) No approval, authorization, consent or other order of any public board or body not already obtained is legally required for the Issuer's participation in the transactions contemplated by the Issuer Transaction Documents.

(5) The Issuer has duly taken all necessary action to be taken by it for: (a) the offering and sale of the Bonds upon the terms set forth in the Purchase Contract; (b) the approval, execution, delivery, receipt and due performance of the Bonds and the Issuer Transaction Documents and (c) the carrying out, giving effect to the consummation of the transactions contemplated in the Bonds and the Issuer Transaction Documents.

## EXHIBIT D

### Points to be Covered in Opinion of Counsel to the Bond Trustee and Master Trustee

Capitalized terms used below have the meanings given to such terms in the body of the Purchase Contract.

1. The Bond Trustee is validly existing and in good standing as a national banking association and is duly qualified to serve as Bond Trustee in accordance with the qualifications set forth for the Bond Trustee in the Bond Indentures and the Master Trustee is validly existing and in good standing as a national banking association and is duly qualified to serve as Master Trustee in accordance with the qualifications set forth for the Master Trustee under the Master Trust Indenture.

2. The Bond Trustee has all requisite power and authority to execute and deliver the Bond Indentures and to perform its obligations under the Bond Indentures and the Master Trustee has all requisite power and authority to execute and deliver the Master Trust Indenture and to perform its obligations under the Master Trust Indenture.

3. The Bond Indentures, the Master Trust Indenture and the Supplemental Master Indentures No. 1 and No. 2 have been duly authorized, executed and delivered, by the Trustee or Master Trustee, as applicable, and constitute legal, valid and binding obligations of the Trustee and the Master Trustee, as applicable, enforceable in accordance with their terms.