

LIQUIDITY AGREEMENT

between

TEXAS PUBLIC FINANCE AUTHORITY

and

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

Dated as of November 26, 2012

Relating to

Texas Public Finance Authority
General Obligation Commercial Paper Notes
Series 2008 (Tax-Exempt)

TABLE OF CONTENTS

| | Page |
|---|-----------|
| SECTION 1. CERTAIN DEFINITIONS..... | 1 |
| SECTION 2. THE COMMERCIAL PAPER PROGRAM..... | 4 |
| A. The Commercial Paper Program..... | 4 |
| B. The Notes..... | 4 |
| C. Deposit with Issuing and Paying Agent..... | 5 |
| D. Use of Proceeds..... | 5 |
| E. Cessation of Issuance of Commercial Paper Notes..... | 5 |
| SECTION 3. THE COMMITMENT..... | 5 |
| A. The Commitment..... | 6 |
| B. Manner of Request..... | 6 |
| C. Disbursement of Funds; Interest..... | 6 |
| D. Repayment of Purchased Notes..... | 6 |
| E. Reduction of the Commitment..... | 6 |
| F. Liquidity Provider Records..... | 6 |
| G. Change in Law..... | 7 |
| SECTION 4. FEES..... | 7 |
| A. Fees..... | 7 |
| B. Payments..... | 7 |
| C. Extension of Payments..... | 8 |
| D. Computation of Interest and Fees..... | 8 |
| SECTION 5. CONDITIONS PRECEDENT..... | 8 |
| A. Initial Conditions Precedent..... | 8 |
| B. Conditions Precedent to Disbursement of Funds..... | 9 |
| C. Conditions Precedent to Issuance of Notes..... | 9 |
| SECTION 6. REPRESENTATIONS AND WARRANTIES..... | 10 |
| A. Organization..... | 10 |
| B. Authorization of Agreement and Transaction Documents..... | 10 |
| C. Compliance of Agreement and Transaction Documents..... | 10 |
| D. Regulatory Approvals..... | 10 |
| E. Compliance with Law and Transaction Documents..... | 10 |
| F. Litigation..... | 10 |
| G. Accuracy and Completeness of Other Information..... | 11 |
| H. Representations and Warranties Contained in the Transaction Documents..... | 11 |
| SECTION 7. AFFIRMATIVE COVENANTS..... | 11 |
| A. Transaction Documents..... | 11 |
| B. Inspection of Books..... | 11 |
| C. No-Default Certificate..... | 11 |
| D. Notice of Certain Events..... | 11 |

| | | |
|--|--|-----------|
| E. | Compliance with Laws. | 12 |
| F. | Further Assurance. | 12 |
| G. | Maintenance of Issuing and Paying Agent. | 12 |
| H. | Covenants Contained in the Transaction Documents. | 12 |
| I. | Priority of Funds. | 12 |
| SECTION 8. NEGATIVE COVENANTS. | | 12 |
| A. | Other Agreements. | 12 |
| B. | Transaction Documents. | 12 |
| C. | Total Outstanding..... | 12 |
| D. | Negative Covenants Under Transaction Documents. | 12 |
| SECTION 9. EVENTS OF DEFAULT; REMEDIES..... | | 13 |
| A. | Failure to Pay Liquidity Provider. | 13 |
| B. | Insolvency..... | 13 |
| C. | Governmental Action Based on Debt. | 13 |
| D. | Failure to Pay Judgment..... | 13 |
| E. | Liquidity Agreement No Longer Binding, Etc. | 13 |
| F. | State Fails to Pay General Obligation Debt..... | 13 |
| G. | Breach or Failure of Performance Under Liquidity Agreement. | 13 |
| H. | Representations or Warranties. | 14 |
| I. | Remedies Upon Event Of Default | 14 |
| SECTION 10. MISCELLANEOUS. | | 14 |
| A. | Notices. | 14 |
| B. | Survival of Covenants: Successors and Assigns..... | 15 |
| C. | Unconditional Obligations. | 15 |
| D. | Commercial Practices. | 16 |
| E. | Expenses. | 16 |
| F. | Term. | 17 |
| G. | Applicable Law..... | 17 |
| H. | No Waiver..... | 17 |
| I. | Modification, Amendment, Waiver Etc..... | 17 |
| J. | Severability. | 17 |
| K. | Counterparts. | 17 |
| L. | Table of Contents, Headings..... | 18 |

- EXHIBIT A - Form of Notice of Issuance
- EXHIBIT B - Form of Notice of Draw
- EXHIBIT C - Form of No Issuance Notice
- EXHIBIT D - Form of No Default Certificate

LIQUIDITY AGREEMENT

THIS LIQUIDITY AGREEMENT dated as of November 26, 2012 is between the Texas Public Finance Authority (the "Authority") and the Texas Comptroller of Public Accounts (the "Liquidity Provider").

RECITALS:

WHEREAS, the Authority, pursuant to the Resolution (as defined below) and Article III, Section 50-g, Texas Constitution and Chapters 1232 and 1371, Texas Government Code, as amended, has authorized the issuance of its "State of Texas General Obligation Commercial Paper Notes, Series 2008 (Tax-Exempt)" (collectively the "Notes") for the purposes set forth in the Resolution: to (i) finance construction and/or acquisition of projects by various agencies of the State of Texas and (ii) refinance or refund the Notes.

WHEREAS, the Authority has requested and the Liquidity Provider has agreed to provide liquidity for the Notes from time to time outstanding under the Resolution, and not as a guarantor for the Notes, upon the terms and conditions set forth herein.

WHEREAS, the Liquidity Provider is authorized pursuant to Section 404.027, Texas Government Code to provide such standby purchase commitment upon the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and covenants herein contained, the parties hereto agree as follows:

SECTION 1. CERTAIN DEFINITIONS.

As used herein, the following terms shall have the following respective meanings (such meanings to be equally applicable to both the singular and plural forms of the terms defined):

"*Agreement*" means this Liquidity Agreement, as amended, modified or supplemented from time to time in accordance with the provisions hereof.

"*Business Day*" means any day other than a Saturday, a Sunday, a legal holiday or a day on which the member banks of the Federal Reserve System are authorized or permitted by law or executive order to close.

"*Closing Date*" means the later of: November 26, 2012; and the date on which all of the conditions precedent set forth in Section 5 shall have been satisfied or waived.

"*Commitment*" means \$300,000,000, plus 270 days interest thereon at the Maximum Interest Rate per annum, on an actual/365 (or 366) day year basis, subject to reduction from time to time pursuant to Subsection 3A., Subsection 3.E or Section 9 hereof and reinstatement in accordance with Subsection 3A.

"*Commitment Fee*" means the fees provided for or referred to in Section 4A.

“*Computation Period*” means (i) the period commencing on the Closing Date and ending on the first Quarterly Date thereafter and (ii) each successive three month period thereafter commencing on the day following one Quarterly Date and ending on the next following Quarterly Date.

“*Daily Commitment*” means \$100,000,000 plus 270 days' interest thereon at the Maximum Interest Rate per annum, on an actual/365 (or 366) day year basis.

“*Dealer*” means collectively, each of the Authority’s commercial paper dealers or co-dealers appointed pursuant to the Resolution. As of the date of this Liquidity Agreement, the Dealer is Goldman, Sachs & Co.

“*Dealer Agreement*” means one or more Dealer Agreements between the Authority and the Dealer with respect to the Notes, and any subsequent agreement between the Authority and a subsequent Dealer, each as supplemented or amended from time to time.

“*Debt*” means at any date (without duplication) all obligations and securities guaranteed by the full faith and credit of the State.

“*Default*” means an Event of Default or any other event which with notice or lapse of time or both would become an Event of Default pursuant to Section 9 hereof.

“*Event of Default*” shall have the meaning assigned to such term in Section 9 hereof.

“*Final Date*” means the earlier of (a) August 31, 2013, or (b) such earlier date upon which the whole of the Commitments are terminated pursuant to Sections 3(E), 9, or otherwise.

“*Financing Agreement*” shall have the meaning assigned to such term in the Resolution.

“*Governmental Approval(s)*” means an authorization, consent, approval, license or exemption of, registration or filing with, or report to, any governmental body or regulatory authority having competent jurisdiction.

“*Hereunder*”, “*herein*”, “*hereof*” and the like mean and refer to this Agreement as a whole and not merely to the specific section, paragraph or clause in which the respective word appears.

“*Investment Grade*” means that a rating in one of the top four categories has been assigned by any of Moody’s Investors Service, Inc., Standard & Poor’s and Fitch Ratings.

“*Issuing and Paying Agent*” means Deutsche Bank Trust Company Americas or its successors or assigns.

“*Issuing and Paying Agency Agreement*” means the agreement between the Authority and the Issuing and Paying Agent (together with any amounts or supplements thereto or any successor agreement thereto.)

“*Maturity Value*” means (a) with respect to any non-interest bearing Note, the face amount thereof which is payable at maturity and (b) with respect to any interest bearing Note, the Principal Amount thereof plus all interest which will accrue on such Note to its stated maturity.

“*Maximum Interest Rate*” means the lesser of (i) the maximum net effective interest rate allowable under Chapter 1204, Texas Government Code, as amended, which is currently 15% or (ii) such lesser annual rate as shall be from time to time authorized by the Authority, which is initially 10%.

“*No Issuance Notice*” shall have the meaning given to that term in Section 2.E hereof and shall be substantially in the form attached hereto as Exhibit C.

“*Note Owner*” means the designated payee or assignee of any Note that is made payable to order, or as to any Note payable to bearer, or the Person who is the holder of any such Note.

“*Note Payment Account*” means a special purpose account of the Authority held by the Issuing and Paying Agent, into which the proceeds of any funds delivered under this Agreement by the Liquidity Provider to the Issuing and Paying Agent shall be deposited for the purchase of Notes.

“*Notes*” means all “Texas Public Finance Authority State of Texas General Obligation Commercial Paper Notes, Series 2008 (Tax-Exempt)” issued from time to time under the Resolution.

“*Notice of Draw*” means the notice, substantially in the form of Exhibit B hereto, given to the Liquidity Provider by the Authority pursuant to Subsection 3.B hereof.

“*Outstanding*” means all Notes issued at any time under the Resolution, except Notes which have been paid by the Issuing and Paying Agent or matured Notes which have not been presented for payment but funds for the payment of which are on deposit in the Note Payment Account and are available for payment of such Notes or Notes which have been canceled in exchange for new Notes issued pursuant to the Resolution; provided, however, that any Notes purchased with funds provided by the Liquidity Provider pursuant to this Agreement shall be deemed to be Outstanding until such Notes are paid in full by the Authority.

“*Person*” means a natural person, corporation (which shall be deemed to include a business trust), unincorporated organization, a government or any department or agency thereof, association, company, partnership or any other entity.

“*Principal Amount*” means (a) with respect to any non-interest bearing Note, the amount paid to the Authority by the original purchaser of the Notes in consideration of the initial

issuance thereof, and (b) with respect to any interest bearing Note, the stated principal amount thereof.

“*Program*” shall have the meaning assigned to such term in the Resolution.

“*Project*” shall have the meaning assigned to such term in the Resolution.

“*Project Costs*” shall have the meaning assigned to such term in the Resolution.

“*Purchased Notes*” means any Notes purchased by the Liquidity Provider pursuant to this Agreement.

“*Quarterly Date*” means the last day of any November, February, May and August.

“*Resolution*” means the resolution authorizing the Notes adopted by the Board of the Authority on March 6, 2008, as may be amended and supplemented from time to time entitled “~~A RESOLUTION ESTABLISHING A COMMERCIAL PAPER PROGRAM TO FINANCE CONSTRUCTION AND/OR ACQUISITION OF PROJECTS BY VARIOUS AGENCIES OF THE STATE OF TEXAS AND REFINANCE OR REFUND GENERAL OBLIGATION COMMERCIAL PAPER NOTES ISSUED FOR SUCH PROCESS; AUTHORIZING THE EXECUTION AND DELIVERY OF A LIQUIDITY AGREEMENT, DEALER AGREEMENT AND ISSUING AND PAYING AGENCY AGREEMENT IN CONNECTION THEREWITH; APPROVING AN OFFERING MEMORANDUM AND AUTHORIZING THE DISTRIBUTION OF SAME; TAKING ACTION TO EFFECT THE SALE AND DELIVERY OF THE NOTES AND RESOLVING RELATED MATTERS.~~”

“*State*” means the State of Texas.

“*Transaction Documents*” means this Agreement, the Resolution, the Financing Agreements, the Issuing and Paying Agency Agreement and each Dealer Agreement.

“*Treasury Rate*” means a per annum rate of interest equal to 1.0% plus the then current U.S Prime Rate effective for the prior day as published in the Wall Street Journal, provided that such rate may not exceed the Maximum Interest Rate.

SECTION 2. THE COMMERCIAL PAPER PROGRAM.

A. The Commercial Paper Program. The Authority has authorized the issuance of the Notes pursuant to the Resolution to finance or refinance Project Costs or to pay, refinance or refund Outstanding Notes.

B. The Notes. Notes may be issued by the Authority from time to time in accordance with the Resolution and this Agreement and the aggregate Maturity Value of Notes Outstanding at any one time shall not exceed the Commitment. The aggregate Maturity Value of Notes outstanding that mature on any single day shall not exceed the Daily Commitment. Each Note shall (i) be issued as set forth in the Resolution, (ii) have a stated maturity date (which shall be a Business Day) not later than 270 days from the issuance date thereof, and in any event, not

later than the Final Date, and (iii) shall be in a Principal Amount equal to \$100,000, or integral multiples of \$5,000 in excess thereof. Upon the issuance of Notes pursuant to the Resolution, the Authority shall provide the Liquidity Provider by facsimile, hand delivery, or electronic means not later than 4:00 p.m. (New York City time) on the date of sale a Notice of Issuance substantially in the form attached hereto as Exhibit A.

C. Deposit with Issuing and Paying Agent. If required by the terms of the Resolution, the Authority may deliver Notes to the Issuing and Paying Agent, each executed as prescribed in the Resolution.

D. Use of Proceeds. The Authority shall use the proceeds of all Notes to finance or refinance Project Costs or to pay, refinance or refund Outstanding Notes, provided, however, the Authority shall be deemed to assign to the Liquidity Provider all of the Authority's right, title and interest in the proceeds of the sale of such Notes to the extent that the Liquidity Provider has not been reimbursed for any purchases of Notes made with funds of the Liquidity Provider theretofore made and shall cause the Issuing and Paying Agent to pay such proceeds to the Liquidity Provider. All Note proceeds not paid to the Liquidity Provider shall be applied in accordance with the Resolution.

E. Cessation of Issuance of Commercial Paper Notes. The Liquidity Provider may instruct the Issuing and Paying Agent to cease issuing Notes by delivering a No Issuance Notice to the Issuing and Paying Agent. The Liquidity Provider may deliver a No Issuance Notice (i) if it determines that the conditions precedent to the issuance of a Note set forth in Section 5.C hereof are not satisfied or (ii) pursuant to Section 9 hereof. A No Issuance Notice shall be effective when received by the Issuing and Paying Agent and shall be deemed to have been received by the Issuing and Paying Agent if it is sent by facsimile or electronic transmission or otherwise delivered and confirmed by telephone at the address and the telephone and facsimile numbers set forth in Section 10.A hereof. The Liquidity Provider shall not incur any liability as a result of the Liquidity Provider's giving of any No Issuance Notice which, in its good faith judgment, it determines to be in accordance with this Section 2.E. Notwithstanding, the delivery of a No Issuance Notice shall not affect the obligation of the Liquidity Provider to honor a Notice of Draw with respect to Notes authenticated prior to the delivery to the Issuing and Paying Agent of such No Issuance Notice. The Liquidity Provider shall concurrently furnish a copy of any No Issuance Notice to the Authority and the Dealer, but the failure to so provide such copy shall not render ineffective any such No Issuance Notice. The Liquidity Provider shall not be required to provide liquidity for the purchase of Notes issued in violation of a No Issuance Notice.

SECTION 3. THE COMMITMENT.

A. The Commitment. The Liquidity Provider agrees to provide liquidity for the purchase of Notes issued or reissued and not sold by the Dealer. On the terms and subject to the conditions of this Agreement, the Liquidity Provider shall purchase unsold Notes by providing funds to the Issuing and Paying Agent, on behalf of the Authority, from time to time prior to the Final Date, in an aggregate Principal Amount at any one time Outstanding not to exceed the Commitment. The Commitment shall be reduced from time to time by the amount of any funds provided by the Liquidity Provider hereunder for the purchase of Notes, as specified in demands

made hereunder; provided, however, that upon payment by the Authority to the Liquidity Provider of reimbursement for any amounts provided by the Liquidity Provider hereunder for the purchase of Notes, the Commitment shall be reinstated to the extent of such reimbursement of funds to the Liquidity Provider.

B. Manner of Request. The Authority shall notify the Liquidity Provider of the need for funds to purchase unsold Notes by delivering, by facsimile, hand delivery or electronic means to the Liquidity Provider not later than 12:00 p.m. (New York City time) on the date funds are required, a Notice of Draw substantially in the form attached hereto as Exhibit B. Each such Notice of Draw shall specify the amount and date of funds required from the Liquidity Provider for the purchase of Notes.

C. Disbursement of Funds; Interest. Subject to the conditions of this Agreement, funds required to purchase Notes shall be made available by the Liquidity Provider to the Issuing and Paying Agent in immediately available funds via the Depository Trust Company (“DTC”) System. The Liquidity Provider shall notify the Authority and make the funds available to the Issuing and Paying Agent by 2:00 p.m. (New York City time) on the date specified in the Notice of Draw. ~~The Issuing and Paying Agent shall use the funds to purchase, for the benefit of the~~ Liquidity Provider, Notes that are maturing on such date that are not being paid with other funds of the Authority (the “Purchased Notes”). The beneficial ownership of such Purchased Notes shall be credited to the account of the Liquidity Provider maintained at DTC, and such Purchased Notes shall be registered in the name of the Liquidity Provider or its nominee or designee on the register of DTC until such Purchased Notes mature and the Liquidity Provider is reimbursed by the Authority upon maturity of such Purchased Notes. Such Purchased Notes shall be held for the benefit of the Liquidity Provider as evidence of the Authority’s obligation to reimburse the Liquidity Provider pursuant to this Liquidity Agreement. The rate of interest on such Purchased Notes shall be the Treasury Rate, and the maturity date of such Purchased Notes shall be on or before thirty (30) days after the date of purchase of each such Purchased Note (the “Purchased Note Maturity Date”).

D. Repayment of Purchased Notes. The Authority shall pay each Purchased Note on the Purchased Note Maturity Date; provided, however, that to the extent such payment is not timely made, each such Purchased Note may be paid with a subsequent issuance of Notes credited to the account of the Liquidity Provider or otherwise.

E. Reduction of the Commitment. The Authority may, upon not less than three Business Days’ prior written notice to the Liquidity Provider, reduce all or any portion of the unused Commitment, provided that (i) any partial reduction of the Commitment must be in the minimum amount of \$1,000,000 and in integral multiples of \$1,000,000 in excess thereof, and (ii) no such reduction shall result in the Commitment being less than the sum of the Maturity Value of all Notes Outstanding at such time. The Authority shall promptly give the Dealer and the Issuing and Paying Agent notice of any such reduction of the Commitment. The notice shall specify the effective date and the amount of any such reduction and shall be irrevocable once given and effective only upon receipt by the Liquidity Provider. The Commitment once terminated or reduced, may not be increased or reinstated.

F. Liquidity Provider Records. The date and amount of funds provided by the Liquidity Provider pursuant to each Notice of Draw, and all payments made on account thereof, shall be recorded by the Liquidity Provider on its books, which books shall be conclusive as to amounts payable by the Authority hereunder, absent error on the part of the Liquidity Provider.

G. Change in Law. In the event that any requirement, restriction, limitation or guideline is imposed upon, or determined or held to be applicable to, the Liquidity Provider by any court or administrative or governmental authority charged with the administration thereof, under or pursuant to any applicable law of any relevant jurisdiction, or any change in applicable law of any relevant jurisdiction shall either impose, modify or deem applicable any tax, reserve, special deposit, capital adequacy, insurance premium or similar requirement against or with respect to or measured by reference to funds provided or to be provided by the Liquidity Provider or impose upon the Liquidity Provider any other condition relating, directly or indirectly to this Agreement and the result shall be to increase the cost to the Liquidity Provider of issuing or maintaining its commitment to purchase unsold Notes, as herein provided, or maintaining its obligation hereunder to provide funds or otherwise performing its obligations hereunder or (in the case of any capital adequacy requirement) to reduce the rate of return on the Liquidity Provider's capital as a consequence of its obligations under this Agreement to a level below that which the Liquidity Provider could have achieved but for the imposition of such requirement (taking into account the Liquidity Provider's capital adequacy policies) or reduce any amount receivable by the Liquidity Provider hereunder (which increase in cost, reduction in rate of return or reduction in amount receivable shall be the result of the Liquidity Provider's reasonable allocation of the aggregate of such increases or reductions resulting from such event), then, within thirty (30) days of the Liquidity Provider's request therefor, the Authority agrees to pay to the Liquidity Provider, from time to time as specified by the Liquidity Provider, such additional amounts as shall be sufficient to compensate the Liquidity Provider, as the case may be, for such increased costs or reductions from the date of such change; provided, however, that the Authority shall not be required to reimburse the Liquidity Provider for any costs or fees (including attorneys' fees) incurred in the calculation of such additional amounts. A statement as to such increased costs or reductions incurred by the Liquidity Provider, submitted by the Liquidity Provider to the Authority, shall be conclusive as to the amount thereof, absent error. The Liquidity Provider will promptly notify the Authority of the occurrence of any event of which the Liquidity Provider has actual knowledge which will entitle the Liquidity Provider, as the case may be, to compensation under this Subsection 3.G.

SECTION 4. FEES.

A. Fees. The Authority hereby agrees to pay the Liquidity Provider a non-refundable Commitment Fee at a rate equal to (i) 0.12% per annum on that portion of the Commitment equal to (a) the principal amount of the Notes Outstanding plus (b) 270 days' interest thereon at the rate of 10% per annum and (ii) 0.08% per annum on the remainder of the Commitment. The Commitment Fee shall accrue until no Commitment remains outstanding. Such fee shall be payable to the Liquidity Provider quarterly in arrears in respect of each Computation Period and on the Final Date, within fifteen (15) days after receipt by the Authority of an invoice from the Liquidity Provider setting forth the amount of such fee payable for such Computation Period. Further, the Authority agrees to pay to the Liquidity Provider a transfer fee in the amount of \$1,000 for each change in the Issuing and Paying Agent, payable within thirty (30) days of such

change. Such change shall be deemed to have occurred whenever the Issuing and Paying Agent is replaced, substituted or changed as a result of any sale, assignment, merger, consolidation, reorganization, act of law or other cause.

B. Payments. Except as otherwise provided herein, all payments by the Authority to the Liquidity Provider under this Agreement shall be made by wire transfer in United States dollars and immediately available funds, so that the same is received not later than 3:00 p.m., New York City time, on the due date thereof. Any payment hereunder received after such time shall be deemed received on the next succeeding Business Day and interest shall accrue to such succeeding Business Day, as herein provided. Each payment hereunder shall be made without condition or reduction by reason of set-off, counterclaim or otherwise, and free and clear of, and without deduction for, any taxes, duties, levies, imposts or other charges of a similar nature. Amounts paid by the Authority shall be applied to the amounts then due and payable hereunder in the following order: first, to fees and expenses; second, to interest; and third, to principal.

C. Extension of Payments. If any payment under this Agreement shall become due on a day which is not a Business Day, the due date thereof shall be extended to the next following day which is a Business Day, and such extension shall be taken into account in computing the amount of any interest or fees then due and payable hereunder.

D. Computation of Interest and Fees. All interest and fees payable under this Agreement shall be computed on the basis of a year of 365 or 366 days, as applicable, and the actual number of days elapsed.

SECTION 5. CONDITIONS PRECEDENT.

A. Initial Conditions Precedent. The obligation of the Liquidity Provider to provide liquidity and to provide funds for the purchase of Notes hereunder is subject to the satisfaction of each of the following conditions precedent on or before the Closing Date:

(i) Action. The Liquidity Provider shall have received copies of all action taken by the Authority approving the execution and delivery by the Authority of this Agreement and the other Transaction Documents to which the Authority is a party, in each case certified as complete and correct as of the Closing Date;

(ii) Incumbency of Officers. The Liquidity Provider shall have received an incumbency certificate of the Authority in respect of each of the officers who is authorized to sign this Agreement and the other Transaction Documents to which it is a party on behalf of the Authority;

(iii) Opinion of Counsel to the Authority. The Liquidity Provider shall have received a written opinion, of the general counsel to the Authority, covering matters relating to the transactions contemplated by this Agreement and the other Transaction Documents, in form and substance satisfactory to the Liquidity Provider;

(iv) Opinion of Bond Counsel. The Liquidity Provider shall have received a written opinion of Bond Counsel to the effect that the execution and delivery of this Agreement

will not in and of itself adversely affect the excludability of interest on any Note from the gross income of the owner thereof for federal income tax purposes.

(v) Opinion of Attorney General. The Liquidity Provider shall have received an opinion of the Attorney General of the State approving the proceedings relating to this Agreement;

(vi) Transaction Documents. The Liquidity Provider shall have received copies of each of the Transaction Documents duly executed by the parties thereto;

(vii) No Default, Etc. No Default shall have occurred and be continuing as of the Closing Date or will result from this Agreement becoming effective or any purchase of Notes; the representations and warranties made by the Authority in Section 6 hereof shall be true and correct in all material respects on and as of the Closing Date as if made on and as of such date; and the Liquidity Provider shall have received a certificate from the Authority to the foregoing effect; and

~~(viii) Other Documents. The Liquidity Provider shall have received such other documents, certificates and opinions as it or its counsel shall have reasonably requested.~~

B. Conditions Precedent to Disbursement of Funds. As a condition precedent to the disbursement of funds from the Liquidity Provider hereunder, the Authority certifies to the Liquidity Provider that: (i) no Event of Default (other than an Event of Default described in Subsections 9.A, 9.D, 9.F, 9.G or 9.H hereof) shall have occurred and be continuing; and (ii) the Authority is unable to market the Notes in an amount equal to the amount requested in a Notice of Draw. On the date of a Notice of Draw, the Authority shall be deemed to have represented and warranted to the Liquidity Provider that the foregoing conditions precedent have been satisfied.

C. Conditions Precedent to Issuance of Notes. As a condition precedent to the issuance of each Note, including the initial issuance of a Note, the following conditions shall be satisfied at the time of such issuance:

(i) no Default shall (a) have occurred and be continuing or (b) be caused by such issuance;

(ii) the representations and warranties made by the Authority in this Agreement or in any other Transaction Document or in any statement or certificate at any time given pursuant hereto or thereto or in connection herewith or therewith shall be true and correct in all material respects at the time of such issuance, as if made at and as of such time; and

(iii) to the best of the Authority's knowledge, the Issuing and Paying Agent shall not be in default in the performance of its obligations under the Resolution or the Issuing and Paying Agency Agreement and the Dealer shall not be in default in the performance of its obligations under the Dealer Agreement.

On each issuance of a Note, the Authority shall be deemed to have represented and warranted to the Liquidity Provider that the conditions precedent set forth in clauses (i) and (ii)

have been satisfied and that to the best of the Authority's knowledge, the condition precedent set forth in clause (iii) has been satisfied.

SECTION 6. REPRESENTATIONS AND WARRANTIES. The Authority represents and warrants to the Liquidity Provider that:

A. Organization. The Authority is a public authority and body politic and corporate of the State.

B. Authorization of Agreement and Transaction Documents. The Authority has the power and has taken all necessary action to authorize the execution, delivery and performance of the Authority's obligations under this Agreement and each of the other Transaction Documents to which it is a party in accordance with their respective terms. This Agreement has been duly executed and delivered by the Authority and is, and each of the other Transaction Documents to which it is a party when executed and delivered will be, legal, valid and binding obligations of the Authority enforceable against the Authority in accordance with their respective terms, except as may be limited by bankruptcy, insolvency, reorganization or moratorium applicable to the Authority and general equitable principles regarding the availability of specific performance.

C. Compliance of Agreement and Transaction Documents. The execution, delivery and performance by the Authority of this Agreement and each of the other Transaction Documents to which it is a party in accordance with their respective terms do not and will not (i) contravene any applicable law of the United States or of the State in effect on the date hereof, (ii) require any consent or approval of any creditor of the Authority or (iii) conflict with, result in a breach of or constitute a default under, or accelerate the performance required by, any contract, indenture or agreement to which the Authority is a party or by which it or any of its properties or revenues may be bound.

D. Regulatory Approvals. All authorizations and approvals, including Governmental Approvals, necessary for the Authority to enter into this Agreement and the other Transaction Documents to which it is a party and to perform its obligations hereunder and thereunder have been obtained (except for the approval of the Attorney General of the State which shall be obtained prior to the Closing Date) and remain in full force and effect and are subject to no further administrative or judicial review.

E. Compliance with Law and Transaction Documents. The Authority (i) is in compliance with all laws of the United States and of the State material to its performance hereunder and with all provisions of each Transaction Document to which it is a party and (ii) has received no notice nor has it any knowledge that a material default, after any applicable notice and grace period, by the Authority exists under any material contracts, agreements or other instruments to which it is a party or by which it or any of its properties or revenues is bound.

F. Litigation. There is no action, suit, proceeding, inquiry or investigation at law or in equity, pending or, to the best of the Authority's knowledge, threatened against or affecting the Authority nor is there any basis for any such action, suit, proceeding, inquiry, or investigation, in which an unfavorable decision, ruling or finding would restrain or enjoin the

issuance or delivery of the Notes or would adversely affect the transactions contemplated by this Agreement, the other Transaction Documents, or any other agreements or documents provided for or contemplated by the Transaction Documents. No such litigation for which the Authority has received notice is pending or threatened against the Authority, involving the Authority or any property, assets or revenues under the control of the Authority which (i) involves the possibility of any judgment or liability not fully covered by insurance or adequate established reserves and which may result in any material adverse change in the properties, assets, or in the condition, financial or otherwise, of the Authority, or (ii) would have a materially adverse effect upon the financial condition of the Authority or the matters provided for or contemplated by the Transaction Documents.

G. Accuracy and Completeness of Other Information. Any written information, reports and other papers and data prepared by the Authority and furnished to the Liquidity Provider pursuant to this Agreement were, at the time the same were so furnished, complete and correct in all material respects to the extent necessary to give the Liquidity Provider a true and accurate knowledge of the subject matter thereof.

H. Representations and Warranties Contained in the Transaction Documents. The Authority is in compliance with all representations and warranties set forth in the Transaction Documents, which are hereby made part of this Agreement.

SECTION 7. AFFIRMATIVE COVENANTS. From the date hereof and so long as the Liquidity Provider is committed to provide liquidity hereunder and until the payment in full of all of the obligations of the Authority under this Agreement and the Notes, the Authority will do all of the following:

A. Transaction Documents. Perform all of its obligations under each of the Transaction Documents to which it is a party and take such actions and proceedings from time to time as shall be necessary in the judgment of the Liquidity Provider to cause the other parties to the Transaction Documents to perform their obligations thereunder.

B. Inspection of Books. To the extent permitted by law, permit representatives of the Liquidity Provider, from time to time, as often as may be reasonably requested to (i) inspect its books and records and make copies from such books and records which relate to its performance under this Agreement and (ii) discuss with its officers and accountants its business, assets, liabilities, financial condition, results of operations and business prospects.

C. No-Default Certificate. Furnish or cause to be furnished to the Liquidity Provider as soon as available and in any event not later than thirty (30) days after the end of each fiscal year a certificate, in the form attached hereto as Exhibit D, of an officer of the Authority certifying that no Default has occurred and is continuing or, if a Default has occurred and is continuing, describing the nature thereof and the action the Authority proposes to take with respect thereto.

D. Notice of Certain Events. Promptly notify the Liquidity Provider of the occurrence of (i) any Default or (ii) any pending or threatened litigation or administrative proceedings of which the Authority has received actual notice or knowledge and in which there

is a reasonable possibility of an adverse determination that may have a materially adverse effect on the Authority's ability to perform its obligations pursuant to this Agreement or the other Transaction Documents to which it is a party or (iii) any event of which the Authority is required under the Resolution to give notice to the Note Owners.

E. Compliance with Laws. Comply with the requirements of all applicable laws of the United States and of the State the noncompliance with which would, singly or in the aggregate, have a materially adverse effect on the ability of the Authority to perform its obligations pursuant to this Agreement or the other Transaction Documents to which it is a party.

F. Further Assurance. Execute and deliver to the Liquidity Provider all such documents and instruments as may be necessary or reasonably required by the Liquidity Provider to enable the Liquidity Provider to exercise and enforce its rights under this Agreement and the other Transaction Documents.

G. Maintenance of Issuing and Paying Agent: Transfer Fee. Maintain in place an Issuing and Paying Agent under the Resolution and obtain the prior written consent of the Liquidity Provider to any change of such Issuing and Paying Agent, which consent shall not be unreasonably withheld. Pay a transfer fee to the Liquidity Provider for each change in the Issuing and Paying Agent, as provided in Subsection 4A.

H. Maintenance of Dealer. Maintain in place a Dealer under the Resolution and provide prior written notice to the Liquidity Provider of any change of such Dealer.

I. Covenants Contained in the Transaction Documents. Comply with all covenants set forth in the Transaction Documents, which are hereby made part of this Agreement.

J. Priority of Funds. Use its best efforts to cause the payment of the principal of and interest on the Notes to be made without the need for the Liquidity Provider to provide funds for the purchase of such Notes.

SECTION 8. NEGATIVE COVENANTS. From the date hereof and so long as the Liquidity Provider is committed to provide funds for the purchase of unsold Notes hereunder and until the payment in full of all of the obligations of the Authority under this Agreement and the Notes, the Authority shall not:

A. Other Agreements. Enter into any new agreement, amendment or modification of existing agreement, containing any provision which would be violated or breached by the performance of its obligations hereunder or under the other Transaction Documents to which it is a party.

B. Transaction Documents. Amend or modify any material provision of any Transaction Document, without the prior written consent of the Liquidity Provider, which consent shall not be unreasonably withheld.

C. Total Outstanding. Permit the aggregate Maturity Value of all Notes Outstanding at any time to exceed the Commitment at such time.

D. Negative Covenants Under Transaction Documents. Breach any negative covenant contained in any Transaction Document.

SECTION 9. EVENTS OF DEFAULT; REMEDIES. Each of the following events (herein called “Events of Default”) shall constitute an event of default under the terms of this Agreement:

A. Failure to Pay Liquidity Provider. The Authority fails to pay when due (whether upon demand, at maturity, by reason of acceleration, or otherwise), within ninety (90) days after written notice from the Liquidity Provider specifying the failure, any fees, expenses or other amounts payable by it to the Liquidity Provider; or

B. Insolvency. The Authority (i) becomes subject to or consents to the appointment of, or the taking of possession by, a receiver, custodian, trustee or liquidator of itself or of all or of a substantial part of its property or assets, (ii) admits in writing its inability to pay its debts as they become due or declares a moratorium for the repayment of its Debt, (iii) makes a general assignment for the benefit of creditors, (iv) files a petition seeking to take advantage of any other laws relating to bankruptcy, insolvency, reorganization, liquidation, winding-up or composition or adjustment of debts, or (v) takes any action for the purpose of effecting any of the acts set forth in clauses (i) through (iv) of this Subsection 9.B; or

C. Governmental Action Based on Debt. The State or any other governmental entity having jurisdiction over the Authority imposes a debt moratorium, debt restructuring, or other event that results in a restriction on repayment when due and payable of the principal of or interest on the Notes; or

D. Failure to Pay Judgment. The Authority shall fail to pay when due a final and nonappealable money judgment entered by a court or other regulatory body of competent jurisdiction against the Authority in an amount in excess of \$5,000,000, and enforcement of such judgment continues unstayed and in effect for a period of 60 consecutive days after appropriated funds become available to the Authority; or

E. Liquidity Agreement No Longer Binding, Etc. This Agreement in its entirety for any reason ceases to be valid and binding on the Authority in accordance with its terms, or is declared pursuant to a final judgment by a governmental authority with jurisdiction to be null and void, or the validity or enforceability of this Agreement or any of the other Transaction Documents as related to the payment of the Notes is repudiated, rejected or contested through legal procedures by the Authority or a proceeding is commenced by the Authority seeking to establish the invalidity or unenforceability thereof; or

F. State Fails to Pay General Obligation Debt. The State fails to pay when due and payable (whether at maturity or upon acceleration or otherwise), after giving effect to any applicable grace period, the principal of or interest on any general obligation debt of the State or the ratings of the general obligation debt of the State are withdrawn for credit related reasons or fall below Investment Grade by action of at least two of the rating agencies; or

G. Breach or Failure of Performance Under Liquidity Agreement. A breach or failure of performance by the Authority of any material covenant, condition or agreement on its part to

be observed or performed contained herein, including particularly Section 2, Subsections 3.E or 3.G, Section 7 or Section 8 (other than a breach or failure covered by paragraphs A through F above) that continues for a period of 45 days after written notice thereof from the Liquidity Provider to the Authority and that the Liquidity Provider reasonably determines may have a material adverse effect on the Liquidity Provider; or

H. Representations or Warranties. Any of the Authority's material representations or warranties made or deemed made by the Authority herein or in any other Transaction Document or in any statement or certificate at any time given pursuant hereto or thereto or in connection herewith or therewith proves at any time to have been false or misleading in any material respect when made, or any such warranty is breached and may have a material adverse effect on the Liquidity Provider.

I. Remedies Upon Event of Default. Upon the occurrence of an Event of Default (except an Event of Default described in Subsection 9.D or 9.F), the Liquidity Provider may, by written notice to the Authority and the Issuing and Paying Agent, take one or more of the following actions: (i) reduce the Commitment to zero (except with respect to an Event of Default described in Subsection 9.A, 9.G or 9.H); (ii) give a No Issuance Notice; (iii) declare all amounts payable by the Authority to the Liquidity Provider hereunder to be forthwith due and payable, whereupon such amounts shall immediately become due and payable, without presentment, demand, protest or any other notice of any kind, all of which are expressly waived hereby; and/or (iv) pursue any other remedy available to it at law or in equity. Any amount owing hereunder (whether of principal, interest, fees or otherwise) which is not paid when due shall, to the extent permitted by law, bear interest, payable on demand, at the Treasury Rate. Notwithstanding the foregoing, upon an Event of Default as described in Subsection 9.D or 9.F, the Liquidity Provider may provide written notice of the termination of the Agreement to the Authority and the Issuing and Paying Agent provided that: (a) the Agreement may not be terminated prior to the maturity date(s) of any Notes then Outstanding and, (b) the termination of the Agreement shall be subject to ninety (90) day extensions as provided in Subsection 10.F to allow the Authority to secure a substitute liquidity provider.

SECTION 10. MISCELLANEOUS.

A. Notices. Except where otherwise expressly provided herein, all notices, requests, consents, instructions, rescissions and other communications provided for hereunder shall (i) be in writing and sent by electronic means or facsimile, (ii) be followed by a copy (a) sent by registered or certified mail, postage prepaid, return receipt requested or (b) delivered by hand, and (iii) be given to the Person to whom addressed at the following respective addresses, email addresses and facsimile numbers:

If to the Liquidity Provider, at

Texas Comptroller of Public Accounts
c/o Texas Treasury Safekeeping Trust Company
208 East 10th Street, 4th Floor
Austin, Texas 78701
Attention: Chief Investment Officer

Telephone: (512) 463-5909
Facsimile: (512) 463-6040
Email: Paul.Ballard@cpa.state.tx.us

If to the Authority, at

Texas Public Finance Authority
William P. Clements Building
300 West 15th Street, Suite 411
Austin, Texas 78701
Attention: Executive Director
Telephone: (512) 463-5544
Facsimile: (512) 463-5501
Email: Robert.Coalter@tpfa.state.tx.us

If to the Issuing and Paying Agent, at

Deutsche Bank Trust Company Americas
60 Wall Street, 27th Floor
New York, New York 10005-2836
Attention: Wuendith Encalada
Telephone: (212) 250-7848
Facsimile: (212) 797-8619
Email: wuendith.encalada@db.com

Notices and other communications hereunder may be addressed to such other address or facsimile number as the addressee may hereafter specify for such purpose in a notice to the other party hereto specifically captioned "Notice of Change of Address Pursuant to Subsection 10.A." Notices and other communications shall be effective when such communication is transmitted and the appropriate answer back is received or receipt is otherwise acknowledged, provided that a Notice of Draw will be effective only upon actual receipt thereof by the Liquidity Provider.

B. Survival of Covenants: Successors and Assigns. All of the Authority's covenants, agreements, representations and warranties made herein and in the certificates delivered pursuant hereto shall survive the provisions of funds by the Liquidity Provider to purchase Notes hereunder and shall continue in full force and effect so long as this Agreement is in effect and until all obligations of the Authority hereunder and under the Notes shall have been paid in full. Whenever in this Agreement any of the parties hereto is referred to, such reference shall, subject to the next sentence, be deemed to include the successors and assigns of such party, and all covenants, promises and agreements by or on behalf of the Authority which are contained in this Agreement shall inure to the benefit of the successors and assigns of the Liquidity Provider, so long as such successors or assigns are component units of government of the State of Texas. The Authority may not transfer its rights or obligations under this Agreement without the prior written consent of the Liquidity Provider.

C. Unconditional Obligations. The obligations of the Authority under this Agreement shall be absolute, unconditional, irrevocable and payable strictly in accordance with

the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following:

- (i) any lack of validity or enforceability of the Notes or any Transaction Document;
- (ii) any amendment or waiver of or any consent to departure from the terms of all or any of the Transaction Documents to which the Liquidity Provider has not consented in writing;
- (iii) the existence of any claim, set-off, defense or other right which any Person may have at any time against the Liquidity Provider, the Issuing and Paying Agent or any other Person, whether in connection with this Agreement, any other Transaction Document or any other transaction;
- (iv) any Notice of Draw proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect; and
- (v) any other circumstances or happening whatsoever whether or not similar to any of the foregoing.

D. Commercial Practices. The Authority agrees that the Liquidity Provider and its officers and agents shall not be liable or responsible for any loss, cost, damage or expense (including reasonable attorneys' fees and expenses) relating, directly or indirectly to, and the obligations of the Authority to the Liquidity Provider hereunder shall not in any manner be affected by: (i) the validity, sufficiency or genuineness of documents other than this Agreement, even if such documents should, in fact, prove to be in any or all respects, invalid, insufficient, fraudulent or forged; (ii) the accuracy or completeness of any information or offering documents given in connection with any offer or sale of Notes other than such information provided by the Liquidity Provider; or (iii) any other circumstances whatsoever in making or failing to make payment hereunder, except that the Authority shall have a claim against the Liquidity Provider, and the Liquidity Provider shall be liable to the Authority, to the extent, but only to the extent, of any direct, as opposed to consequential or special, damages suffered by the Authority which the Authority proves are caused by the willful misconduct or negligence of the Liquidity Provider in determining whether the Notice of Draw complied with the terms of this Agreement or the willful or negligent failure of the Liquidity Provider to provide funds for the purchase of Notes under the terms and provisions of this Agreement in accordance with the provisions of this Agreement after the presentation of a Notice of Draw in compliance with the terms and conditions of this Agreement, unless such payment is not legally permitted or otherwise not required or permitted hereunder. In furtherance and not in limitation of the foregoing, the Liquidity Provider may accept documents that appear on their face to be in order without responsibility for further investigation regardless of any notice or information to the contrary. The Liquidity Provider shall have no responsibility in respect of, and the obligations of the Liquidity Provider under this Agreement shall not be affected by, any term or provision of the Resolution at variance with any term or provision hereof.

E. Expenses. The Authority will pay within 30 Business Days after receipt of an invoice therefor (i) the reasonable costs and expenses of the Liquidity Provider in connection with the negotiation, preparation, execution and delivery of this Agreement any other documents which may be delivered in connection with this Agreement or any amendment or modification of this Agreement, including the reasonable fees and disbursements of counsel to the Liquidity Provider; (ii) all reasonable costs and expenses, if any, in connection with the enforcement of this Agreement and any other documents which may be delivered in connection herewith or therewith, including the fees and disbursements of counsel to the Liquidity Provider; and (iii) all fees payable or determined to be payable in connection with the execution, delivery, filing and recording of this Agreement and the security contemplated by the Resolution and any related documents.

F. Term. The term of this Agreement is the period from the Closing Date to the Final Date, unless the Agreement is terminated earlier in accordance with its provisions. The Agreement may be renewed for additional terms of one year each, coterminous with the State fiscal year, in the sole and exclusive discretion of the Liquidity Provider and with ninety (90) days advanced written request by the Authority. In the alternative, the Liquidity Provider, in its sole and exclusive discretion, may extend the Agreement for consecutive terms up to ninety (90) days each to allow the Authority to secure a substitute Liquidity Provider. The Authority reserves the right to substitute or terminate this Agreement before the Final Date after providing written notice thereof to the Liquidity Provider at least 45 days prior to the proposed date of termination (unless a shorter notice period is acceptable to the Liquidity Provider), if upon such substitution or termination a replacement Liquidity Agreement will be entered into and delivered by the Authority pursuant to the provisions of the Resolution.

G. Applicable Law. THIS AGREEMENT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE.

H. No Waiver. Neither any failure nor any delay on the part of the Liquidity Provider in exercising any right, power or privilege hereunder, nor any course of dealing with respect to any of the same, shall operate as a waiver thereof, nor shall a single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The remedies herein provided are cumulative, and not exclusive of any remedies provided by law.

I. Modification, Amendment, Waiver Etc. No modification, amendment or waiver of any provision of this Agreement, and no consent to any departure by the Authority here from, shall be effective unless in writing signed by the Liquidity Provider and the Authority, and each such waiver or consent shall be effective only in the specific instance and for the specific purpose for which given.

J. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof or affecting the validity or enforceability of such provisions in any other jurisdiction, and the remaining portion of such provision and all other remaining provisions hereof will be construed to render them enforceable to the fullest extent.

K. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall constitute an original, but when taken together shall constitute but one agreement and any of the parties hereto may execute this Agreement by signing any such counterpart.


L. Table of Contents, Headings. The table of contents and the section and subsection headings used herein have been inserted for convenience of reference only and do not constitute matters to be considered in interpreting this Agreement.

[Execution Pages Follow]

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement as of the date first above written.

AUTHORITY:


TEXAS PUBLIC FINANCE AUTHORITY

By: 
Robert P. Coalter
Executive Director

[Execution Page - Authority]

LIQUIDITY PROVIDER:

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS

By: 
Martin A. Hubert
Deputy Comptroller

[Execution Page - Liquidity Provider]

EXHIBIT A

FORM OF NOTICE OF ISSUANCE

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
c/o Texas Treasury Safekeeping Trust Company
208 East 10th Street, 4th Floor
Austin, Texas 78701

Attention: CHIEF INVESTMENT OFFICER

Re: Notice of Issuance

Pursuant to Subsection 2.B of the Liquidity Agreement dated as of November 26, 2012, (the "Agreement") between the Texas Public Finance Authority (the "Authority") and the Texas Comptroller of Public Accounts (the "Liquidity Provider"), we hereby give you notice that on the date hereof we have issued the following Texas Public Finance Authority General Obligation Commercial Paper Notes, Series 2008 (Tax-Exempt) (collectively the "Notes"):

| <u>ISSUE</u> <u>DATE</u> | <u>MATURITY</u> <u>DATE</u> | <u>PRINCIPAL</u> <u>AMOUNT</u> | <u>INTEREST</u> <u>RATE</u> | <u>NEW ISSUE/</u> <u>ROLL</u> |
|-----------------------------|--------------------------------|-----------------------------------|--------------------------------|----------------------------------|
|-----------------------------|--------------------------------|-----------------------------------|--------------------------------|----------------------------------|

Capitalized terms used herein and not defined shall have the respective meanings given to them in the Agreement.

Dated this ____ day of _____, 20__.

TEXAS PUBLIC FINANCE AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT B

FORM OF NOTICE OF DRAW

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
c/o Texas Treasury Safekeeping Trust Company
208 East 10th Street, 4th Floor
Austin, Texas 78701

Attention: CHIEF INVESTMENT OFFICER

Re: Notice of Draw

Pursuant to Subsection 3.B of the Liquidity Agreement dated as of November 26, 2012, (the "Agreement") between the Texas Public Finance Authority (the "Authority") and the Texas Comptroller of Public Accounts (the "Liquidity Provider"), we hereby give you irrevocable notice that we request funds to purchase unsold Texas Public Finance Authority General Obligation Commercial Paper Notes, Series 2008 (collectively the "Notes") as follows:

1. Amount of Draw: \$ _____
2. Date of Draw: _____, 20__
3. Maturity Date of Note(s) to be issued to Liquidity Provider: _____.
4. The proceeds of such Draw will be used as follows:
_____.
5. Payment of the Draw herein requested should be made as follows:

We hereby represent and warrant that all conditions to the borrowing of such Draw will be satisfied on the date such Draw is made. Capitalized terms used herein and not defined shall have the respective meanings given to them in the Agreement.

Dated this _____ day of _____, 20__

TEXAS PUBLIC FINANCE AUTHORITY

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF NO ISSUANCE NOTICE

Dated: _____

Attention: _____

Re: Liquidity Agreement between the Texas Public Finance Authority (the "Authority") and the Comptroller of Public Accounts of the State of Texas (the "Liquidity Provider") dated as of November 26, 2012 (the "Agreement")

Pursuant to Section 5 of that certain Issuing and Paying Agency Agreement between you and the Texas Public Finance Authority dated as of March 6, 2008, (the "Issuing and Paying Agency Agreement") and Subsection 2.E of the Liquidity Agreement entered into in connection with the issuance by the Authority of its Texas Public Finance Authority General Obligation Commercial Paper Notes, Series 2008 (Tax-Exempt) (collectively the "Notes"), you are hereby notified that the Liquidity Provider has determined that the conditions precedent to the issuance of Notes are not satisfied.

Upon receipt of this notice, no new Notes shall be authenticated; provided, however, that the foregoing notice shall not prohibit you from issuing Notes authenticated prior to receipt of this notice. This notice shall become effective upon your receipt hereof and shall remain effective unless and until notification from the Liquidity Provider to you that the conditions precedent to the issuance of Notes by the Authority have been satisfied and that this notice is rescinded.

Very truly yours,

TEXAS COMPTROLLER OF PUBLIC
ACCOUNTS, as Liquidity Provider

By: _____

Name: _____

Title: _____

cc: Texas Public Finance Authority

EXHIBIT D

FORM OF NO DEFAULT CERTIFICATE

TEXAS COMPTROLLER OF PUBLIC ACCOUNTS
c/o Texas Treasury Safekeeping Trust Company
208 East 10th Street, 4th Floor
Austin, Texas 78701

Attention: CHIEF INVESTMENT OFFICER

Re: Liquidity Agreement (the "Agreement") dated as of November 26, 2012, by and between the Authority (as defined below) and Texas Comptroller of Public Accounts (the "Liquidity Provider")

The undersigned, on behalf of the Texas Public Finance Authority, a public authority and body politic and corporate of the State of Texas (the "Authority"), does hereby certify to the Liquidity Provider, that:

CHOOSE ONE:

No Default (as defined in the Agreement) has occurred and is continuing

A Default (as defined in the Agreement) has occurred and is continuing. The Default is described as follows (include reference to appropriate section of the Agreement):

With respect to such Default, the Authority will take the following action:

Date: _____

By: _____
Authorized Officer