

Notice of Reallocation Procedures for Recovery Zone Bonds

Dear Municipal Officials:

The American Recovery and Reinvestment Act of 2009 created new bond programs for cities and counties. This Notice provides important information for your community relating to two of those programs: Recovery Zone Economic Development Bonds and Recovery Zone Facility Bonds (“Recovery Zone Bonds”). Recovery Zone Economic Development Bonds can be used for “qualified economic development purposes” which consist of promoting development or other economic activity in a Recovery Zone. Recovery Zone Facility Bonds can be used for qualified business purposes in areas designated as Recovery Zones. Recovery Zones are any area designated as such by a city or municipality in any manner they determine to be appropriate. Issuances under the Recovery Zone Bonds programs must close by December 31, 2010.

The total Recovery Zone Bond allocation for the state of Texas is \$225 million of which \$135 is designated for Recovery Zone Facility Bonds and \$90 million is designated for Recovery Zone Economic Development Bonds. The total amounts for both programs has been subdivided by the Treasury into allocations to certain counties and large cities with population greater than 100,000 by a formula based on employment declines in each jurisdiction compared with employment declines in the state as a whole during December 2007 through December 2008. (A listing of Recovery Zone Authority for Certain Texas Cities and Municipalities may be seen at <http://www.brb.state.tx.us/RZBs/RZBs.aspx> (website)).

IRS Notice 2009-50 (website) provides that selected counties or municipalities may use the allocation or designate another unit of government as the issuer if the project is fully within the jurisdiction of the original county or municipality. Texas counties and large local government must waive an allocation by October 29, 2010. (See Notice of Waiver of Recovery Zone Bond Allocation at the website.)

An entity that is authorized to issue Recovery Zone Bonds may apply to the BRB for amounts to be reallocated until October 29, 2010. To apply for a reallocation, an entity must provide the following documents:

- Request for Recovery Zone Bonding Authority
- Evidence of the Recovery Zone designation
- A letter from legal counsel indicating that the bonds will qualify as Recovery Zone Bonds

Reallocated authority will be awarded in accordance with the procedures set forth by the Governor in his letter to the BRB dated October 8, 2010.

Any county or municipality that has issued Recovery Zone Bonds shall notify the Bond Review Board promptly after an issuance has occurred.

For questions please contact the Bond Review Board at 512-463-1741 or email at brbpab@brb.state.tx.us.

If your county or municipality does not intend to issue their allocation of Recovery Zone Bonds and would like to waive its authority for others to use, please send the BRB a copy of the official action taken by the jurisdiction's governing body waiving the authority.

State of Texas
Notice of Waiver of Recovery Zone Bond Allocation

Date **10/28/2010**
County: **Collin County**
Street Address **2300 Bloomdale McKinney TX 75071**
Telephone **972-548-4631** Fax **972-548-4699**
Name of Chief Elected Official **Keith Self, County Judge**
Name of Authorized Representative (if applicable) **Keith Self**

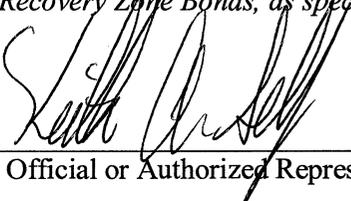
Recovery Zone Economic Development Bonds:

Amount Waived: \$ 4,379,000
Amount of Issued to Date: \$ _____
Remaining Amount to be issued: \$ _____

Recovery Zone Facility Bonds:

Amount Waived: \$ 6,568,000
Amount of Issued to Date: \$ _____
Remaining Amount to be issued: \$ _____

*I hereby certify that the County of **Collin**, as duly authorized by its governing body, has waived all or a portion of its Recovery Zone Bonds, as specified above.*

Signature  Date **10/28/2010**
Chief Elected Official or Authorized Representative