

FORWARD DELIVERY AGREEMENT

This Forward Delivery Agreement (this “Agreement”) is made as of January 9, 2003 by and among **JPMORGAN CHASE BANK**, a [type of entity] (the “Paying Agent”), the **AUSTIN INDEPENDENT SCHOOL DISTRICT**, a [type of entity] (the “Issuer”) and **BANK OF AMERICA, N.A.**, a national bank duly organized and existing under and by virtue of the laws of the United States of America (the “Provider”).

SECTION I. DEFINITIONS

For purposes of this Agreement, the words and terms defined in this Section I have the following meanings:

“Account” means the segregated account created within the Fund pursuant to Section 18 of the Order and designated therein as the “Cumulative Sinking Fund Deposit Account” the balance of which shall be maintained by the Paying Agent and invested pursuant to this Agreement.

“Available Amount” means, at any time, the amount of money in the Fund.

“Bonds” means the Austin Independent School District Unlimited Tax School Building Bonds, Taxable Series 2002 (Qualified Zone Academy Bonds), in the aggregate principal amount of \$6,710,260.

“Burdened Party” means, (i) in the case of an Issuer Event of Default or Paying Agent Event of Default, the Provider; and (ii) in the case of a Provider Event of Default, the Issuer.

“Business Day” means any day other than (i) a Saturday or Sunday, (ii) a day on which the principal corporate trust office of the Paying Agent is authorized or required by law to close, (iii) a day on which banking institutions in the City of New York, New York are authorized or required by law to close, (iv) a day on which any Qualified Securities which may be delivered hereunder are not subject to delivery in the City of New York, New York or (v) a day on which the Provider is required by law to close.

“Closing Date” means January 9, 2003.

“Coupon Payment” means, for any Qualified Security, a payment of interest which is due to be paid thereon prior to its scheduled maturity.

“Dealer” means a leading dealer in the relevant markets.

“Dealer Certification” means a certificate, executed by a Dealer, representing that (i) the Dealer is qualified and authorized to enter into an assignment of this Agreement; (ii) the Dealer has reviewed the terms of this Agreement in full and has provided a bid to the Provider on the basis of such terms; and (iii) upon the request of the Provider, the Dealer will accept an assignment of the Terminating Party’s rights and obligations under the Agreement in exchange for or by payment of the amount of its bid.

“Default Rate” means a per annum rate equal to the lesser of (i) the cost (without proof or evidence of any actual cost to the party to whom such amount is owed) to the party to whom such amount is owed if it were to fund or of funding the relevant amount plus 1% per annum, and (ii) the maximum rate permitted by law.

“Delivery Date” means each date identified as a “Delivery Date” on Exhibit A.

“Delivery Notice” means a notice substantially in the form of Exhibit E or in such other form as provided by the Provider and reasonably acceptable to the Paying Agent.

“Eligible Securities” means securities which the Paying Agent is permitted to invest in under Texas law and as identified in Exhibit F.

“Fund” means the fund created pursuant to Section 18 of the Order and designated thereunder as the “Debt Service Fund.”

“Fund Deposit Date” means with respect to each Delivery Date, each date identified as a “Fund Deposit Date” on Exhibit A.

“Guaranteed Rate” means a rate per annum equal to [TBD]% assuming that the interest on the applicable security was compounded semi-annually on the basis of a year of 360 days with twelve (12) thirty (30) day months.

“Insolvent” means the applicable party (i) is dissolved (other than pursuant to a consolidation, amalgamation or merger); (ii) becomes insolvent or is unable to pay its debts or fails or admits in writing its inability generally to pay its debts as they become due; (iii) makes a general assignment, arrangement or composition with or for the benefit of its creditors; (iv) institutes or has instituted against it a proceeding seeking a judgment of insolvency or bankruptcy or any other relief under any bankruptcy or insolvency law or other similar law affecting creditors’ rights, or a petition is presented for its winding-up or liquidation, and, in the case of any such proceeding or petition instituted or presented against it, such proceeding or petition (a) results in a judgment of insolvency or bankruptcy or the entry of an order for relief or the making of an order for its winding-up or liquidation or (b) is not dismissed, discharged, stayed or restrained in each case within thirty (30) days of the institution or presentation thereof; (v) has a resolution passed for its winding-up, official management or liquidation (other than pursuant to a consolidation, amalgamation or merger); (vi)(a) seeks or becomes subject to the appointment of an administrator, provisional liquidator, conservator, receiver, trustee, custodian or other similar official for it or for all or substantially all its assets, or (b)(1) has appointed or designated with respect to it, an entity such as an organization, board, commission, authority, agency or body to monitor, review, oversee, recommend or declare a financial emergency or similar state of financial distress with respect to it or (2) has declared or introduced or proposed for consideration by it or by any legislative or regulatory body with competent jurisdiction over it, the existence of a state of financial emergency or similar state of financial distress in respect of it; (vii) has a secured party take possession of all or substantially all its assets or has a distress, execution, attachment, sequestration or other legal process levied, enforced or sued on or against all or substantially all its assets and such secured party maintains possession, or any such process is not dismissed, discharged, stayed or restrained, in each case within thirty (30) days thereafter; (viii) causes or is subject to any event with respect to it which, under the applicable laws of any jurisdiction, has an analogous effect to any of the events specified in clauses (i) to (vii)

(inclusive); or (ix) takes any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the foregoing acts.

“Issuer Event of Default” means the occurrence of an event specified in Section 7.2.

“Issuer Loss Amount” shall equal the sum of the following formula:

$$(GR - AI) \times C \times n/360$$

Where: GR = [TBD]%

AI = the actual rate of interest earned by the Paying Agent investing the lesser of the Scheduled Fund Amount or the applicable Available Amount in accordance with Section 2.1(c) hereof, or, if the Paying Agent fails to so invest the applicable Available Amount, the actual rate of interest that would have been earned on such Available Amount had the Paying Agent complied with Section 2.1(c).

C = the Available Amount actually available to be invested in accordance with Section 2.1(c)

n = the actual number of days for which the Issuer Loss Amount is required to be calculated.

“Loss Amounts” means Provider Loss Amount and Issuer Loss Amount.

“Market Value” means, with respect to any Qualified Security, the market value thereof on the date of delivery (including accrued interest thereon) as specified by the Provider.

“Maturity Amount” means, with respect to any Qualified Security delivered in respect of a Delivery Date, the amount, payable in cash, representing the principal and interest (including any Coupon Payment) due thereon on or prior to its maturity date.

“Order” means that certain Certificate for Order, and containing other matters relating thereto passed and approved by the Board of Trustees of the Issuer on December 9, 2002.

“Paying Agent Event of Default” means the occurrence of an event specified in Section 7.1.

“Permitted Investments” means those investments which are permitted under Texas law.

“Previously Purchased Securities” means the aggregate Maturity Amount of Qualified Securities previously delivered to the Paying Agent pursuant to this Agreement and which have not yet matured.

“Provider Cure Period” has the meaning specified in Section 7.3(a).

“Provider Event of Default” means the occurrence of an event specified in Section 7.3.

“Provider Loss Amount” means the sum of the following formula, if on any Delivery Date the amount in the Fund available to purchase Qualified Securities is less than the Scheduled Fund Amount:

$$[\text{DR} \times \text{PP} \times n^1/360] + \text{the greater of (i) } [\text{PP} - \text{FMV}] \times [(\text{DR} \times n^2/360) + 1] \text{ or (ii) } 0$$

Where: DR = the Default Rate

PP = the applicable Purchase Price for the Qualified Securities (or that portion thereof) that were tendered by the Provider in accordance with Section 2.1, but which were not purchased by the Paying Agent due to a deficiency in the Scheduled Fund Amount

FMV = the price at which the Provider subsequently sold the Qualified Securities to either the Paying Agent or a third party, in an arms length transaction

n^1 = the actual number of days from, and including, the applicable Delivery Date, to, but excluding, the day on which the Provider sold the Qualified Securities to either the Paying Agent or a third party.

n^2 = the actual number of days from, and including, the day on which the Provider sold the Qualified Securities to a third party, to, but excluding, the day on which the Issuer actually pays the Provider Loss Amount to the Provider.

“Purchase Price” means, for any Qualified Security delivered hereunder, the price, as set forth in the Delivery Notice, which will produce a rate of return on such security for the period, from (and including) the date of its delivery to (but excluding) its maturity date, of the Guaranteed Rate.

“Qualified Securities” means, in connection with any Delivery Date, Eligible Securities which shall (i) mature not later than the related Fund Deposit Date and (ii) have an aggregate Purchase Price which is as close as possible to but does not exceed the Scheduled Fund Amount.

“Quotation” means a quotation from a Dealer of the amount, if any, that such Dealer would demand to receive (expressed as a positive number if the Burdened Party is the Provider, and a negative number if the Burdened Party is the Issuer) or would offer to pay (expressed as a negative number if the Burdened Party is the Provider, and as a positive number if the Burdened Party is the Issuer) in consideration of such Dealer entering into an agreement with the Burdened Party (with such documentation as the Dealer and Burdened Party may in good faith agree) which would have the effect of preserving for the Burdened Party the economic equivalent of the parties’ rights and obligations under this Agreement for the period commencing on the termination date of this Agreement and terminating on the final Fund Deposit Date (assuming for these purposes that this Agreement had not terminated on the termination date and continued in full force through such final Fund Deposit Date); provided that, any such quotation shall not constitute a Quotation hereunder unless the Dealer shall have submitted, in connection with such quotation, a Dealer Certification.

“Scheduled Fund Amount” means, for each Delivery Date, the amount set forth on Exhibit A opposite such Delivery Date.

“Specified Indebtedness” means any obligation (whether present or future, contingent or otherwise, as principal or surety or otherwise) in respect of borrowed money.

“Termination Amount” means an amount, as reasonably determined in good faith by the Provider, to be the Burdened Party’s total losses and costs in connection with a termination of this Agreement, including any loss of bargain, cost of funding or without duplication, any loss or cost incurred (expressed as a positive number if the Burdened Party is the Provider, and as a negative number if the Burdened Party is the Issuer) or gain realized (expressed as a negative number if the Burdened Party is the Provider and as a positive number if the Burdened Party is the Issuer) as a result of its terminating, liquidating, obtaining or reestablishing any hedge or related trading position; *provided, however*, that the Issuer may, reasonably and in good faith, dispute the determination by the Provider as to the Termination Amount by providing written notice to the Provider within one (1) Business Day of such determination (the date such notice is provided, the “Notice Date”). On the Notice Date, the Provider shall solicit Quotations from at least three Dealers reasonably acceptable to the Issuer. If at least three Quotations are provided, the Burdened Party shall then have the option to either: (i) accept the arithmetic mean of the Quotations as the Termination Amount; or (ii) require the Terminating Party to assign, at the cost of the Terminating Party, its rights and obligations under this Agreement to one of the Dealers providing Quotations; provided that (a) such assignment must be pursuant to documentation that is reasonably acceptable to the Burdened Party, and (b) the Burdened Party must receive such opinions and assurances as it reasonably requests in connection with such assignment. In the event that the Provider is unable to obtain three Quotations, the determination of the Termination Amount as originally calculated by the Provider shall be the Termination Amount.

Notwithstanding anything to the contrary in this Agreement, if the Provider fails to determine the Termination Amount within seven (7) Business Days of notice from the Issuer of the occurrence of a Provider Event of Default, then the Issuer (or if so directed by the Issuer, the Paying Agent) shall make such determination as if it were the Provider and the amount as so determined by the Issuer (or the Paying Agent) shall be deemed the Termination Amount.

“Terminating Party” means, (i) in the case of an Issuer Event of Default or Paying Agent Event of Default, both the Issuer and Paying Agent; and (ii) in the case of a Provider Event of Default, the Provider.

SECTION II PURCHASE AGREEMENT

Section 2.1 Purchase and Sale of Qualified Securities.

(a) The Provider shall deliver to the Paying Agent on each Delivery Date Qualified Securities selected by the Provider to the extent such securities are available on the open market.

(b) At the time of the delivery by the Provider of any Qualified Securities in accordance with this Agreement, whether on or after a Delivery Date, the Paying Agent shall, out of funds available in the Fund or otherwise provided by the Issuer, purchase such Qualified Securities and pay to the Provider in accordance with Section 2.2 an amount equal to the Purchase Price thereof.

(c) If the Provider fails to deliver Qualified Securities as required hereunder by 4:30 p.m. New York City time on any Delivery Date or during the Provider Cure Period, the Paying Agent shall, on each such date, invest the Available Amount in Permitted Investments which either: (i) mature no later than the next Business Day; or (ii) can be redeemed without charge or penalty not later than the next Business Day, and if the Provider's failure continues beyond the Provider Cure Period, the Paying Agent shall invest the Available Amount in Permitted Investments with the longest possible maturities, provided such maturities are not later than the related Fund Deposit Date.

(d) Subject to Section 7.3(a), the Provider's failure to deliver Qualified Securities at any time shall not terminate or affect the Provider's right to deliver Qualified Securities at any other time prior to the termination of this Agreement.

Section 2.2 Delivery; Payment.

(a) All Qualified Securities delivered under this Agreement shall be delivered to the Paying Agent to the account specified in Section 9.1, in such manner as at the time is generally acceptable for delivery of Qualified Securities. All Qualified Securities delivered under this Agreement shall be delivered to the Paying Agent on a "delivery versus payment" basis.

(b) The Provider shall cause a Delivery Notice to be delivered to the Paying Agent at least one (1) Business Day prior to the delivery of any Qualified Securities that are in book-entry form and at least two (2) Business Days prior to the delivery of any Qualified Securities that are in certificated form.

Section 2.3 Subsequent Deliveries. If any Previously Purchased Securities (i) mature prior to the Fund Deposit Date for which such Previously Purchased Securities were delivered or (ii) have a Coupon Payment, the Provider shall have the right, at any time on or after the maturity date of such Previously Purchased Securities or the date on which interest in respect of such Coupon Payment is received by the Paying Agent, subject to Section 2.2(b) hereof, to cause the Paying Agent to purchase from the Provider, with all or part of the proceeds from the maturity of any such Previously Purchased Securities or the interest received in respect of such Coupon Payment, Qualified Securities with a Purchase Price equal to the Maturity Amount of the Qualified Securities which have so matured or to the interest received in respect of such Coupon Payment.

SECTION III. RESERVED

SECTION IV. REPRESENTATIONS AND WARRANTIES

Section 4.1 Representations and Warranties. As of the date hereof, each party hereto represents and warrants to the other parties hereto that:

(a) it is duly organized and validly existing under the laws of its jurisdiction, incorporation or establishment and it has the power and the authority to enter into and perform its obligations under this Agreement, including, in the case of the Issuer, to pay any Termination Amount;

(b) this Agreement has been duly authorized, executed and delivered by the applicable party and, assuming the due authorization, execution and delivery hereof by the other parties hereto, each constitutes a legal, valid and binding obligation of such applicable party enforceable against it in accordance with its terms, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity regardless of whether enforcement is sought in a proceeding in equity or at law;

(c) its execution and delivery of this Agreement and its performance of its obligations hereunder do not and will not constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under, its charter or by-laws (or equivalent organizational documents), or any other agreement (including in the case of the Issuer, the Order and the Bonds), instrument, law, ordinance, regulation, judgment, injunction or order applicable to it or any of its property;

(d) all consents, authorizations and approvals requisite for its execution, delivery and performance of this Agreement have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority or regulatory body is required for such execution, delivery or performance;

(e) there is no proceeding pending or threatened against it at law or in equity, or before any governmental instrumentality or in any arbitration, which would materially impair its ability to perform its obligations under this Agreement, and there is no such proceeding pending against it which purports or is likely to affect the legality, validity or enforceability of this Agreement;

(f) in the case of the Issuer:

(i) the Order has been duly adopted and approved by the Board of Paying Agents of the Issuer and the Order is in full force and effect on the date hereof and no amendment, waiver or course of dealing has amended or terminated any of the terms thereof since the original adoption of the Order, except such as may have been delivered to the Provider pursuant to Section 6.1(e);

(ii) no "event of default" or event which would with the passage of time or the giving of notice constitute an event of default has occurred and is continuing under the Order or the Bonds.

(iii) the Scheduled Fund Amount is the amount the Issuer is required to have on deposit in the Account on each Delivery Date pursuant to Section 18 of the Order;

(iv) it is not entitled to claim, and shall not assert any claim, with respect to itself or its revenues, assets or property (irrespective of the use or intended use thereof), of immunity on the grounds of sovereignty or similar grounds from suit, jurisdiction of

any court, relief by way of injunction, order for specific performance or for recovery of property, attachment of its assets (whether before or after judgment, in aid of execution, or otherwise) and execution or enforcement of any judgment to which it or its revenues or assets or property might otherwise be entitled in any suit, action or proceeding relating to this Agreement in the courts of any jurisdiction, nor may there be attributed to the Issuer or its revenues, assets or property any such immunity (nor shall such attribution be claimed by the Issuer);

(v) there have been no withdrawals from any reserve or sinking fund relating to obligations of the Issuer in Order to cover a shortfall in amounts available to make payment of amounts due on such obligations;

(vi) it has entered into this Agreement for purposes of managing its borrowings or investments by increasing the predictability of its cash flow from earnings on its investments and not for purposes of speculation;

(vii) this Agreement is the only investment agreement or other similar agreement that is outstanding with respect to the investment or disposition of funds held in the Fund;

(viii) its obligations to fund the Fund pursuant to Section 7 of the Order constitute a general obligation of the Issuer; and

(xi) the investment of the Fund made pursuant to this Agreement is in accordance with applicable law, including Chapter 2256 of the Texas Government Code and the Issuer's investment policy.

SECTION V. COVENANTS AND ACKNOWLEDGEMENTS

Section 5.1 Covenants. Each party hereto covenants to the other parties hereto that so long as it shall have any obligations under this Agreement it shall:

(a) maintain in full force and effect all authorizations and agreements of and exemptions, consents, licenses, actions or approvals by, and all filings with or notices to, any governmental or other authority that are required to be obtained or made by such party with respect to this Agreement and will use all reasonable efforts to obtain or make any that may become necessary in the future;

(b) comply in all material respects with all applicable laws, rules, regulations and Orders to which it may be subject if failure so to comply could materially impair its ability to perform its obligations under this Agreement; and

(c) If it is the Issuer or the Paying Agent, it shall not direct the Paying Agent to withdraw, or withdraw, as applicable, any funds or investments from the Fund unless it is required to do so under the Order.

Section 5.2 Role of the Provider.

(a) It is expressly understood and agreed that for all purposes of this Agreement and the transactions contemplated hereby, the Provider has acted solely as an independent contractor and has not acted as a financial or investment advisor, fiduciary or agent

of or to the Issuer or the Paying Agent or any representative of the holders of the Bonds or for any other person.

(b) Neither the Provider nor any of its directors, officers, employees, agents, affiliates or representatives have made any investigation with respect to or have any liability with respect to: (i) the “Qualified Zone Academy Bond” status of the Bonds under Section 1397E of the Internal Revenue Code of 1986 as amended, (ii) the payment of any amounts owing on or with respect to the Bonds, (iii) the use or application by the Paying Agent or the Issuer of any moneys payable to the Paying Agent hereunder, (iv) any acts or omissions of the Issuer or the Paying Agent under, or with respect to, the validity or enforceability of, the Bonds or the Order or (v) the Paying Agent’s or the Issuer’s performance of its obligations under the Bonds, the Order, or any other agreement or instrument with respect to the Bonds. Without limiting the foregoing, the Provider shall have no duty to ascertain whether the Paying Agent or the Issuer is in compliance with any applicable statute, regulation or law, or the Order.

(c) The Issuer and Paying Agent each acknowledge that the economic terms of this Agreement have been individually negotiated by it and that, to the extent it has deemed necessary, it has consulted with its own legal, tax and investment advisors regarding its decision to enter into this Agreement. The Issuer understands that in entering into this Agreement pursuant to which it is agreeing upon the rate of return it will receive during the term of this Agreement on amounts held in the Fund and thereby minimizing the risks resulting from fluctuations in interest rates during the term hereof it is also foregoing the possibility of receiving greater returns on such amounts from such fluctuations.

Section 5.3 Termination Amount. Each of the Issuer and the Paying Agent understands that if under certain of the circumstances provided herein a Termination Amount will be due from the Issuer or Paying Agent and that the size of such Termination Amount will vary depending, in large part, on prevailing interest rates at the time such Termination Amount is calculated. Under certain market conditions the amount of the Termination Amount owed to the Provider by the Issuer or Paying Agent could be substantial.

Section 5.4 Waiver of Sovereign Immunity. The Issuer acknowledges and covenants that it is subject to suit under Section 11.151 of the Texas Education Code. The Issuer further covenants that in connection with any claims arising under this Agreement it will not claim sovereign immunity, including but not limited to, immunity from liability or immunity from suit in connection therewith.

[Section 5.5 Broker’s Fees. Each of the Issuer and the Paying Agent acknowledge that the Provider shall pay, and the Provider hereby agrees to pay, [\$_____] to [TBD].]

SECTION VI. CLOSING CONDITIONS

Section 6.1 Closing Conditions. On or prior to the Closing Date the following shall occur:

(a) delivery to the Provider and the Issuer of an opinion of counsel to the Paying Agent, in the form of Exhibit B;

- (b) delivery to the Paying Agent and the Issuer of an opinion of counsel to the Provider, in the form of Exhibit C;
- (c) delivery to the Provider and the Paying Agent of an opinion of counsel to the Issuer, in the form of Exhibit D;
- (d) delivery to the Provider of a copy of that certain Private Placement Memorandum, dated [TBD] regarding the Bonds (including all supplements or amendments thereto);
- (e) delivery to the Provider of a copy of the Order, certified by a duly authorized officer of the Issuer as being a true and correct copy in full force and effect on the date hereof;
- (f) delivery to the Provider of a copy of the statutory or regulatory authority pursuant to which the Issuer is authorized to enter into this Agreement and a certified copy of any Orders of the Issuer and consents of third parties which may be required for the Issuer to enter into, or be authorized to enter into, this Agreement; and
- (g) delivery to the Paying Agent, with a copy to the Provider, a Letter of Instruction substantially similar to that attached hereto as Exhibit G.

SECTION VII. DEFAULTS; TERMINATION

Section 7.1 Paying Agent Events of Default. The occurrence of any of the following events shall constitute a Paying Agent Event of Default:

- (a) the Paying Agent shall fail for any reason to apply any Available Amount to purchase, at the Purchase Price therefor, any Qualified Securities delivered by the Provider in accordance with this Agreement;
- (b) the Paying Agent shall default in the performance of any other covenant or obligation under this Agreement and such default is not cured within five (5) Business Days of notice thereof from the Provider or the Issuer; or
- (c) any representation or warranty of the Paying Agent contained in this Agreement proves to have been incorrect, false or misleading in any material respect as of the date on which it was made.

Section 7.2 Issuer Events of Default. The occurrence of any of the following events shall constitute an Issuer Event of Default:

- (a) the amount in the Fund available to purchase Qualified Securities on any Delivery Date is less than the Scheduled Fund Amount and such deficiency continues on the next Delivery Date. Notwithstanding the foregoing, upon any such deficiency, the Issuer shall be obligated to pay the Provider Loss Amount to the Provider in accordance with Section 7.8 or it shall be an immediate Issuer Event of Default if the Issuer fails to pay the Provider the Provider Loss Amount associated with any such deficiency, in accordance with Section 7.8;

(b) that the Issuer shall default in the performance of any covenant or obligation under, or incorporated by reference in, this Agreement, other than as described in clause (a) above and such default is not cured within five (5) Business Days of notice thereof from the Provider or the Paying Agent;

(c) any representation or warranty of the Issuer contained in this Agreement proves to have been incorrect, false or misleading in any material respect as of the date on which it was made;

(d) the Issuer is at any time Insolvent;

(e) the principal outstanding under the Bonds shall be declared due and payable for any reason, at any time prior to the scheduled maturity thereof;

(f) there shall be an investment of amounts in the Fund other than pursuant to this Agreement; or

(g) a default, event of default or other similar condition or event (however described), occurs in respect of the Issuer under any Specified Indebtedness.

Section 7.3 Provider Events of Default. The occurrence of any of the following events shall constitute a Provider Event of Default:

(a) the Provider shall fail, on any Delivery Date, to deliver Qualified Securities and such failure is not cured within five (5) Business Days after written notice thereof to the Provider from the Paying Agent or the Issuer (the "Provider Cure Period"). Notwithstanding the foregoing, any such failure to deliver shall not be a Provider Event of Default so long as the Provider pays to the Paying Agent the Issuer Loss Amount associated with any such failure to deliver, in accordance with Section 7.8;

(b) any representation or warranty of the Provider contained in this Agreement proves to have been incorrect, false or misleading in any material respect as of the date on which it was made; or

(c) the Provider is at any time Insolvent.

Section 7.4 Remedies Upon Occurrence of a Paying Agent Event of Default. Upon the occurrence of a Paying Agent Event of Default, the Provider shall have the right to immediately terminate this Agreement by giving notice thereof to the Paying Agent, with a copy to the Issuer and, subject to Section 8.2: if (i) the Termination Amount is a positive number, make demand upon the Paying Agent for the payment of the Termination Amount, and (ii) the Termination Amount is a negative number, pay the absolute value of such amount to the Issuer. Notwithstanding the foregoing, in the event of a Paying Agent Event of Default under Section 7.1(a), the Provider may elect to redeliver to the Paying Agent, or sell to any other purchaser, the Qualified Securities which were to be delivered in connection with the applicable Delivery Date in lieu of terminating this Agreement. Upon such a redelivery to the Paying Agent or third party sale, the Paying Agent, subject to Section 8.2, shall pay to the Provider the Provider Loss Amount, if any, arising out of the Paying Agent's failure to purchase such Qualified Securities.

Section 7.5 Remedies Upon Occurrence of Issuer Event of Default. Upon the occurrence of an Issuer Event of Default, the Provider shall have the right to immediately

terminate this Agreement by giving notice thereof to the Issuer, with a copy to the Paying Agent, and (i) if the Termination Amount is a positive number, make demand upon the Issuer for the payment of the Termination Amount and (ii) if the Termination Amount is a negative number, pay the absolute value of such amount to the Issuer.

Section 7.6 Remedies Upon Occurrence of a Provider Event of Default. Upon the occurrence of a Provider Event of Default, the Issuer shall have the right to immediately terminate this Agreement by giving notice thereof to the Provider, with a copy to the Paying Agent, and (i) if the Termination Amount is a negative number, make demand upon the Provider for the payment of the absolute value of such amount, and (ii) if the Termination Amount is a positive number, the Issuer shall pay such amount.

Section 7.7 Optional Termination. The Issuer shall have the option to terminate this Agreement effective on **[January 9, 2010]** (an “Early Termination”); provided, however, the Issuer shall provide the Provider with at least thirty (30) days prior written notice of its intent to exercise said option to terminate. In the event the Issuer elects an Early Termination, the Issuer shall be responsible to and shall pay to the Provider, a sum equal to the Termination Amount, if any, that would have been payable to the Provider by the Issuer under Section 7.1, if the Early Termination had been an Issuer Even of Default. The Issuer agrees that it shall not terminate, or take any action which would cause the termination of, this Agreement under Section 7.1, 7.5 or this Section 7.7, unless it shall have sufficient funds available to pay any Termination Amount which may be due as provided herein.

Section 7.8 Payments. All amounts which are payable under Section VII, including, but not limited to Termination Amounts and Loss Amounts, shall be paid promptly after notice that such amount is due from the party to whom such amount is due (the “Payment Notice”). All such amounts shall be paid, in immediately available funds, to the party to whom such amount is due. If any such amount is not paid within one (1) Business Day of the Payment Notice date, the party owing such amount shall pay interest on such amount for each date such amount is due and not paid at the Default Rate. Additionally, if any amount otherwise due hereunder is not paid when due, the amount shall also include any costs and expenses incurred by the Burdened Party in connection with such termination and the enforcement of its rights hereunder (including costs of collection and reasonable attorneys' fees) and, if applicable, a reasonable allocation of compensation and overhead attributable to time of employees of the Burdened Provider spent in connection with such termination and the enforcement of its rights hereunder.

SECTION VIII. THE PAYING AGENT

Section 8.1 Acceptance by Paying Agent. By execution and delivery of this Agreement, the Paying Agent accepts its duties and obligations hereunder, as an addition to its duties and obligations as Paying Agent under the Order.

Section 8.2 Liability of the Paying Agent. Except as provided herein, the Paying Agent shall not be liable to any person for any action taken or neglected to be taken in performing or attempting to perform its obligations hereunder or preserving or seeking to preserve the funds it maintains under the Order or to purchase the Qualified Securities tendered pursuant to this Agreement, except for actions arising from its negligence or willful misconduct

or from its intentional or knowing non-performance or breach of its obligations under this Agreement or for a breach of its representations or warranties under this Agreement.

Section 8.3 Payment of Paying Agent Fees. The Provider has no liability or responsibility for payment of the Paying Agent's fees or expenses for its services hereunder, including any such fees or expenses arising out of or in connection with the liquidation of the Qualified Securities as provided herein.

Section 8.4 Paying Agent Cooperation. The Paying Agent shall not make any payments or distributions from the Fund other than payments or distributions required by this Agreement.

Section 8.5 Successor Paying Agent. If the Paying Agent shall resign or be discharged from its duties and obligations under the Order, the Issuer shall appoint a successor Paying Agent pursuant to the terms of the Order; *provided, however*, the successor agent shall be reasonably acceptable to the Provider. The Issuer agrees that if the Paying Agent fails for any reason to perform its duties to the Provider under this Agreement in accordance with the terms hereof, or is at any time Insolvent or breaches in any material respect its representations and warranties to the Provider hereunder, the Issuer shall promptly, upon request of the Provider, appoint a successor Paying Agent acceptable to the Provider.

SECTION IX. MISCELLANEOUS

Section 9.1 Notices and Delivery Instructions.

(a) All notices, demands or other communications hereunder to the Paying Agent or Issuer shall be given or made in writing and shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service, telex or telecopy to the party to whom they are directed at the following addresses, or at such other addresses as may be designated by notice from such party to all other parties:

To the Paying Agent:

JPMorgan Chase Bank
2001 Bryant Street, 10th Floor
Dallas, Texas 75201
Attention: Issuer Administrative Services
Telephone: **[Please Provide]**
Telecopy: **[Please Provide]**

Account Name and Number: **[Please Provide]**

[FOR DELIVERY OF BOOK-ENTRY GOVERNMENT OBLIGATIONS]

Bank Name: **[Please Provide]**
ABA Number: **[Please Provide]**
Account Name: **[Please Provide]**
Account Number: **[Please Provide]**

Further Credit To: **[Please Provide]**
Attention: **[Please Provide]**

To the Issuer:

Austin Independent School District
1111 West 6th Street
Austin, Texas 78703
Attention: Superintendent
Telephone: **[Please Provide]**
Telecopy: **[Please Provide]**
Issuer's Tax Payer I.D.# **[Please Provide]**

(b) All notices, demands or other communications hereunder to the Provider shall be given or made orally to a bank officer of the Provider's Reinvestment and Risk Management Group, and confirmed in writing, which writing shall be delivered personally, or sent by certified or registered mail, postage prepaid, return receipt requested, or overnight delivery service, telex or telecopy to the Provider at the following address, or at such other addresses as may be designated by notice from the Provider to all other parties:

Bank of America, N.A.
Bank of America Interstate Tower
NC1-005-10-05
121 West Trade Street
10th Floor
Charlotte, NC 28255

Attention: Reinvestment and Risk Management Group
Telephone: (704) 388-4823/4624
Telecopy: (704) 388-6963

Wire Transfer Instructions:

Bank Name: Bank of America, N.A.
New York, New York
ABA #026009593
Account Name: Interest Rate Derivatives
Account #6550-219386

(c) Any notice, demand or other communication given in a manner prescribed in this Section 9.1 shall be deemed to have been delivered on receipt.

Section 9.2 Binding Effect; Transfer. This Agreement shall be binding upon the Paying Agent, the Issuer and the Provider and upon their respective permitted successors and transferees. The Provider shall be entitled to transfer this Agreement, and its interests and obligations hereunder (i) without the consent of the Issuer or the Paying Agent to any subsidiary or affiliate of the Provider, or to any office, branch, or subsidiary of any affiliate of the Provider by giving written notice to the Issuer and the Paying Agent of such transfer and the name of the

transferee and (ii) with the Issuer's prior written consent (such consent not to be unreasonable withheld or delayed) and upon notice to the Paying Agent to any other person; *provided, however,* that if the Issuer has not consented or objected to such transfer in writing within ten (10) Business Days of the Provider's request therefor, the Issuer's consent shall be deemed to have been given and the Provider may transfer this Agreement. Such transferee shall immediately assume the rights and obligations of the Provider hereunder and upon such transfer shall for all purposes become the Provider under this Agreement. Neither the Issuer nor the Paying Agent may transfer or assign this Agreement (including any transfers that result by operation of law), without the prior written consent of the Provider.

Section 9.3 Limitation. Nothing expressed or implied herein is intended or shall be construed to confer upon any person, firm or corporation other than the parties hereto, any right, remedy or claim by reason of this Agreement or any term hereof, and all terms contained herein shall be for the sole and exclusive benefit of the parties hereto, and their successors and permitted transferees.

Section 9.4 Severability. If one or more provisions of this Agreement or the applicability of any such provisions to any set of circumstances shall be determined to be invalid or ineffective for any reason, such determination shall not affect the validity and enforceability of the remaining provisions or the applicability of the same provisions or any of the remaining provisions to other circumstances.

Section 9.5 Amendments, Changes and Modifications. This Agreement may be amended or any of its terms modified only by a written document authorized, executed and delivered by each of the parties hereto.

Section 9.6 Counterparts. This Agreement may be executed in one or more counterparts and when each party hereto has executed at least one counterpart, this Agreement shall become binding on all parties and such counterparts shall be deemed to be one and the same document.

Section 9.7 Termination. Unless earlier terminated pursuant to Sections 7.4, 7.5, 7.6 or 7.7, this Agreement shall terminate on the later of the last Fund Deposit Date set forth in Exhibit A and the date on which the Paying Agent and the Issuer have satisfied all of their obligations hereunder.

Section 9.8 Entire Agreement. This Agreement constitutes the entire agreement and understanding of the parties with respect to its subject matter and supersedes all oral communication and prior writings with respect thereto.

Section 9.9 Delivery of Financial Statements. The Issuer agrees that it will deliver to the Provider its annual audited financial statements, promptly upon their availability.

Section 9.10 Submission to Jurisdiction. The Provider, the Paying Agent and the Issuer each hereby irrevocably submits to the non-exclusive jurisdiction of any court of the State of New York located in the Borough of Manhattan or the United States District Court for the Southern District of the State of New York located in the Borough of Manhattan for the purpose of any suit, action or other proceeding arising out of this Agreement, or any of the agreements or transactions contemplated hereby, at the election of the party initiating any such suit, action or other proceeding, which is brought by or against the Provider, the Paying Agent or

the Issuer, and the parties each hereby irrevocably agrees that all claims in respect of any such suit, action or proceeding may be heard and determined by any such court.

Section 9.11 Governing Law. The obligations of the Paying Agent and the Provider under this Agreement shall be governed by and construed in accordance with the laws of the State of New York without regard to conflict of law principles. The obligations of the Issuer under this Agreement shall be governed by and construed in accordance with the laws of the State of Texas, without regard to conflict of law principles.

Section 9.12 Use of Qualified Dealer. The Provider may use any other dealer to effect the sales of Qualified Securities as contemplated herein.

Section 9.13 No Waiver; Remedies Cumulative. No failure or delay on the Provider's part in exercising any right or remedy hereunder shall operate as a waiver thereof; nor shall any single or partial exercise of any such right or remedy preclude any other or further exercise thereof or the exercise of any other right or remedy. The Provider's rights and remedies hereunder are cumulative and not exclusive of any rights or remedies provided by law, this Agreement or otherwise. None of the terms or provisions of this Agreement may be waived, modified or amended except in a writing duly signed by the Paying Agent, the Issuer and the Provider.

[Intentionally Left Blank]

IN WITNESS WHEREOF, the Paying Agent, the Issuer and the Provider have caused this Forward Delivery Agreement to be executed by their respective duly authorized officers, all as of the date and year first above written.

JPMORGAN CHASE BANK

By: _____
Name:
Title:

AUSTIN INDEPENDENT SCHOOL DISTRICT

By: _____
Name:
Title:

BANK OF AMERICA, N.A.

By: _____
Name:
Title:

**[PURSUANT TO OUR AGREEMENT, AMOUNTS DISPLAYED IN THIS EXHIBIT A
ARE SUBJECT TO CHANGE BASED ON MARKET MOVEMENTS]**

<u>Delivery Date*</u>	<u>Fund Deposit Date*</u>	<u>Scheduled Fund Amount</u>
1/9/2004	7/9/2004	[360,760.22
7/9/2004	1/9/2005	368,329.27
1/9/2005	7/9/2005	736,823.08
7/9/2005	1/9/2006	752,290.27
1/9/2006	7/9/2006	1,128,846.77
7/9/2006	1/9/2007	1,152,541.19
1/9/2007	7/9/2007	1,537,489.46
7/9/2007	1/9/2008	1,569,760.76
1/9/2008	7/9/2008	1,963,471.03
7/9/2008	1/9/2009	2,004,689.44
1/9/2009	7/9/2009	2,407,531.94
7/9/2009	1/9/2010	2,458,088.25
1/9/2010	7/9/2010	2,870,453.76
7/9/2010	1/9/2011	2,930,718.21
1/9/2011	7/9/2011	3,353,018.10
7/9/2011	1/9/2012	3,423,422.60
1/9/2012	7/9/2012	3,856,068.23
7/9/2012	1/9/2013	3,937,044.72
1/9/2013	7/9/2013	4,380,468.02
7/9/2013	1/9/2014	4,472,448.43
1/9/2014	7/9/2014	4,927,122.46
7/9/2014	1/9/2015	5,030,579.85
1/9/2015	7/9/2015	5,496,977.68
7/9/2015	1/9/2016	5,612,405.70
1/9/2016	7/9/2016	6,091,020.96
7/9/2016	1/9/2017	6,218,913.22
1/9/2017		6,710,260.12]

* If any Delivery Date or Fund Deposit Date specified above is not a Business Day, such date will be the immediately succeeding Business Day; provided, however, that with respect to any date specified as a Fund Deposit Date, the determination of whether such date is a Business Day shall be made without giving effect to clauses (c), (d) and (e) of the definition of Business Day.

[LETTERHEAD OF COUNSEL TO PAYING AGENT]

January 9, 2003

Austin Independent School District
1111 West 6th Street
Austin, Texas 78703

Bank of America, N.A.
100 North Tryon Street, 6th Floor
Charlotte, North Carolina 28255

Re: Austin Independent School District Unlimited Tax School
Building Bonds, Taxable Series 2002 (Qualified Zone Academy Bonds),
in the aggregate principal amount of \$6,710,260

Ladies and Gentlemen:

We have acted as counsel to JPMorgan Chase Bank (the "Paying Agent") in connection with the execution and delivery by the Paying Agent of the Forward Delivery Agreement, dated as of January 9, 2003 (the "Agreement"), by and among the Paying Agent, the Austin Independent School District (the "Issuer") and Bank of America, N.A. Capitalized terms used herein and not defined herein have the respective meanings given to them in the Agreement.

In rendering this opinion, we have examined, among other things, copies of the Agreement and the Order.

In connection with the foregoing, we have also examined originals or copies satisfactory to us of all such corporate records, agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all documents submitted to us as copies.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the federal laws of the United States of America and the laws of the State of [State] (the "State").

Based upon the foregoing examination and review, we are of the opinion that:

(i) The Paying Agent has full legal right, power and authority to enter into the Agreement.

(ii) The Agreement has been duly authorized, executed and delivered by the Paying Agent.

(iii) The stipulation of New York law as the governing law of the Agreement is enforceable under State law.

(iv) The Agreement is a legal, valid and binding obligation of the Paying Agent, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(v) The execution and delivery by the Paying Agent of the Agreement and the performance of its obligations thereunder do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under, its charter or by-laws, or the Order or any other agreement, instrument, judgment, injunction or Order applicable to it or any of its property.

We are furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

Very truly yours,

[LETTERHEAD OF COUNSEL TO THE PROVIDER]

January 9, 2003

Re: Austin Independent School District Unlimited Tax School
Building Bonds, Taxable Series 2002 (Qualified Zone Academy Bonds),
in the aggregate principal amount of \$6,710,260

Ladies and Gentlemen:

I have acted as counsel to Bank of America, N.A. (the "Provider"), in connection with its execution and delivery of the Forward Delivery Agreement dated as of January 9, 2003 (the "Agreement") by and among JPMorgan Chase Bank (the "Paying Agent"), the Austin Independent School District (the "Issuer") and the Provider.

In rendering this opinion, I have examined, or had examined on my behalf, among other things, a copy of the Agreement and originals or copies satisfactory to me of such corporate records, agreements, certificates and other documents as I have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as originals, and the conformity with the authentic original documents of all documents submitted to me as copies.

In giving the opinions expressed below I do not purport to be an expert in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the laws of the State of New York and applicable laws of the United States and the opinions expressed herein are so limited to those laws.

Based upon the foregoing examination and review, I am of the opinion that:

- (i) The Provider has full corporate power and authority to enter into the Agreement.
- (ii) The Agreement have been duly authorized, executed and delivered by the Provider.
- (iii) Assuming due authorization and execution of the Agreement by the Issuer and the Paying Agent, the Agreement constitutes a legal, valid and binding obligation of the Provider, enforceable against it in accordance with the terms thereof, subject to applicable bankruptcy, insolvency, receivership and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

I am furnishing this opinion solely for the benefit of the Paying Agent and the Issuer and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

SABW Draft 12/5/02

Very truly yours,

[LETTERHEAD OF COUNSEL OF ISSUER]

January 9, 2003

JPMorgan Chase Bank
2001 Bryant Street, 10th Floor
Dallas, Texas 75201

Bank of America, N.A.
Bank of America Interstate Tower
NC1-005-10-05
121 West Trade Street, 10th Floor
Charlotte, North Carolina 28255-0001

Re: Austin Independent School District Unlimited Tax School
Building Bonds, Taxable Series 2002 (Qualified Zone Academy Bonds),
in the aggregate principal amount of \$6,710,260

Ladies and Gentlemen:

I have acted as counsel to the Austin Independent School District (the “Issuer”) in connection with its execution and delivery of the Forward Delivery Agreement, dated as of January 9, 2003 (the “Agreement”), by and among the Issuer, JPMorgan Chase Bank (the “Paying Agent”) and Bank of America, N.A. (the “Provider”) and its adoption of the Order (as defined in the Agreement). Capitalized terms used herein and not defined herein have the respective meanings given to them in the Agreement.

In rendering this opinion, we have examined, among other things, copies of the Agreement and the Order.

In connection with the foregoing, we have also examined originals or copies satisfactory to us of all such corporate records, agreements, certificates and other documents as we have deemed relevant and necessary as a basis for the opinions hereinafter expressed. In such examination we have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, and the conformity with the original documents of all documents submitted to us as copies.

In giving the opinions expressed below we do not purport to be experts in or generally familiar with or qualified to express legal opinions based on the laws of any jurisdiction other than the laws of the State of Texas (the “State”).

Based upon the foregoing examination and review, we are of the opinion that:

(i) The Issuer has full legal right, power and authority to enter into the Agreement and the Order and to authorize and direct the Paying Agent, pursuant to the Agreement, to make purchases of the Qualified Securities in accordance with the terms therein.

(ii) The Agreement and the Order to which it is a party have been duly authorized, executed and delivered by the Issuer.

(iii) The stipulation of New York law as the governing law of the Agreement is enforceable under the laws of the State.

(iv) Assuming for purposes of the opinion expressed in this paragraph (iv) that the Agreement were governed by and construed in accordance with the laws of the State, the Agreement is a legal, valid and binding obligation of the Issuer, enforceable against it in accordance with the terms thereof, including, without limitation, the obligation to pay any Termination Amount or Loss Amounts, subject to applicable bankruptcy, insolvency and similar laws affecting creditors' rights generally, and subject, as to enforceability, to general principles of equity (regardless of whether enforcement is sought in a proceeding in equity or at law).

(v) The Issuer's execution and delivery of the Agreement and the Order and the performance of its obligations thereunder do not and will not conflict with or constitute or result in a default under, a breach or violation of, or the creation of any lien or encumbrance on any of its property under or any other agreement, instrument, judgment, injunction or order applicable to it or any of its property.

(vi) The Issuer is not entitled to claim immunity on the grounds of sovereignty or other similar grounds with respect to itself or its revenues or assets (irrespective of their use or intended use) from (i) suit, (ii) jurisdiction of any court, (iii) relief by way of injunction, order for specific performance or for recovery of property, (iv) attachment of its assets (whether before or after judgment) or (v) execution or enforcement of any judgment to which it or its revenues or assets might otherwise be made subject to in any suit, action or proceedings relating to this Agreement brought in the courts of any jurisdiction and no such immunity (whether or not claimed) may be attributed to such party or its revenues or assets.

(vii) All consents, authorizations and approvals requisite for the Issuer's execution, delivery and performance of this Agreement have been obtained and remain in full force and effect and all conditions thereof have been duly complied with, and no other action by, and no notice to or filing with, any governmental authority, regulatory body or any other entity is required for such execution, delivery or performance.

(viii) The Agreement is an investment permitted by Section 18 of the Order and allowed under applicable law, including Chapter 2256, Texas Government Code, as amended, and Chapter 45, Texas Education Code, as amended.

I am furnishing this opinion to you solely for your benefit and no other person is entitled to rely hereon. This opinion is not to be used, circulated, quoted or otherwise referred to for any other purpose.

SABW Draft 12/5/02

Very truly yours,

FORWARD DELIVERY AGREEMENT
NOTICE OF DELIVERY

[Date of Notice]

[Provider]

Security will be delivered by Provider to:

[account information as provided in Section 9.1 of Forward Delivery Agreement]

Date of Delivery:

Security	Interest (if any)	Maturity Date	CUSIP	Amount Due at Maturity ("Maturity Amount")
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Purchase Price :

Payment Instructions: to be paid as follows:

[Account Information]

Eligible Securities

- [1. Obligations of the United States or its agencies and instrumentalities;**
- 2. Direct obligations of the State of Texas or its agencies and instrumentalities;**
- 3. Collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States;**
- 4. Other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State of Texas or the United States or their respective agencies and instrumentalities;**
- 5. Obligations of states, agencies, counties, cities and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; and**
- 6. Bonds issued, assumed or guaranteed by the State of Israel.]**

Notwithstanding the foregoing, in no event shall any of the following be considered "Eligible Securities":

- 1. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;**
- 2. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest;**
- 3. Collateralized mortgage obligations that have a stated final maturity date of greater than 10 years; and**
- 4. Collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.]**

EXHIBIT G

[LETTERHEAD OF ISSUER]

January 9, 2003

JPMorgan Chase Bank
2001 Bryant Street, 10th Floor
Dallas, Texas 75201

Re: Austin Independent School District Unlimited Tax School
Building Bonds, Taxable Series 2002 (Qualified Zone Academy Bonds),
in the aggregate principal amount of \$6,710,260

Ladies and Gentlemen:

Reference is made to the Forward Delivery Agreement, dated as of January 9, 2003 (the "Forward Delivery Agreement"), by and among JPMorgan Chase Bank (the "Paying Agent"), the Austin Independent School District (the "Issuer") and Bank of America N.A., a national bank duly organized and existing under and by virtue of the laws of the United States of America (the "Provider"), relating to the above-referenced Bonds (the "Bonds"). Capitalized terms used herein and not defined herein have the meanings given to them in the Forward Delivery Agreement.

Pursuant to the power and authority invested in us by that Paying Agent/Registrar and Escrow Deposit Agreement by and between the Paying Agent and the Issuer dated as of December 9, 2002 (the "Paying Agent/Registrar and Escrow Deposit Agreement") we hereby authorize and irrevocably direct you to provide for the investment of amounts on deposit in the Account by entering into the Forward Delivery Agreement. Additionally, we hereby irrevocably instruct and direct you to carry out your duties and obligations under the Forward Delivery Agreement in accordance with the terms thereof notwithstanding any future instructions by us to the contrary.

The undersigned further acknowledges to the Paying Agent that execution of the Forward Delivery Agreement is authorized and permitted under the Paying Agent/Registrar and Escrow Deposit Agreement and represents to the Paying Agent that the investment and the reinvestment provided therein is authorized by and consistent with the terms of the Paying Agent/Registrar and Escrow Deposit Agreement.

We hereby acknowledge that this Letter of Instructions is a material condition to, and that the Provider is relying upon this Letter of Instructions, in executing the Forward Delivery Agreement.

Very truly yours,

AUSTIN INDEPENDENT SCHOOL DISTRICT

By: _____
Name:
Title: