

**RESOLUTION AUTHORIZING
REDEMPTION OF OBLIGATIONS**

THE STATE OF TEXAS §
COUNTY OF LEON §
CITY OF JEWETT §

WHEREAS, the City of Jewett, Texas (the "City") has duly issued and there is now outstanding the following obligations:

City of Jewett, Texas Waterworks and Sewer System Revenue Bonds, Series 1978 dated April 1, 1978 maturing July 1 of each of the years 2001 through 2016 currently outstanding in the aggregate principal amount of \$90,000 (the "Series 1978 Revenue Waterworks and Sewer System Bonds");

WHEREAS, the City Council of the City deems it to be in the best interest of the City to use lawfully available funds to redeem the July 1, 2015 and July 1, 2016 maturities of the Series 1978 Revenue Waterworks and Sewer System Bonds in the aggregate principal amount of \$15,000 on the next available interest payment date of July 1, 2001.


NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF JEWETT, TEXAS:

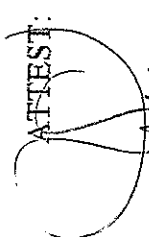

Section 1. The City hereby calls for redemption the July 1, 2015 and July 1, 2016 maturities of the above-described obligations on July 1, 2001. Attached to this Resolution as Exhibit "A" and made a part hereof for all purposes, is a copy of the notice of redemption for the obligations in substantially final form. The City Secretary and Bond Counsel are hereby authorized to (i) send notice to GMAC Commercial Mortgage, the current owners of the obligations and (ii) to take all actions necessary to effectuate the redemption of the obligations.

Section 2. The City Secretary is hereby authorized to transfer funds as necessary to redeem the obligations set forth in Exhibit "A".

Section 3. The Mayor and the City Secretary are hereby authorized and directed to execute the certificate to which this Resolution is attached on behalf of the City and are further authorized to do any and all things proper and necessary to carry out the intent of this Resolution.

RESOLVED this 14th day of May, 2001.


Judi Kirkpatrick, Mayor
City of Jewett, Texas

ATTEST:


Virginia S. Sifton, City Secretary

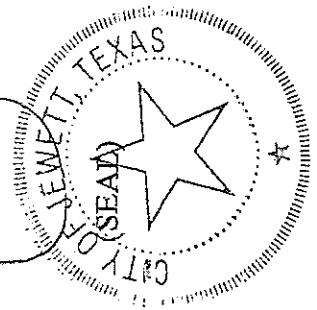


EXHIBIT "A"

NOTICE OF REDEMPTION

**CITY OF JEWETT, TEXAS
WATERWORKS AND SEWER SYSTEM REVENUE BONDS
SERIES 1978**

GNAC COMMERCIAL MORTGAGE LOAN NUMBER 010561205

NOTICE IS HEREBY GIVEN that the City of Jewett, Texas ("City") has called for redemption the following obligations of the City (the "Bonds"):

City of Jewett, Texas Waterworks and Sewer System Revenue Bonds, Series 1978, maturing on July 1 in the years 2015 and 2016 in the aggregate principal amount of \$15,000; redemption date: July 1, 2001; redeemable at par plus accrued interest at the designated office for payment of the Paying Agent, at the addresses set forth below, only upon presentation and surrender thereof. The described Bonds shall become due and payable on the redemption date specified, and the interest thereon shall cease to accrue from and after the redemption date of July 1, 2001.

BY MAIL:

State Bank of Jewett
P. O. Box 125
Jewett, Texas 75846
ATTENTION: Ken Turner

HAND DELIVERY:

State Bank of Jewett
312 North Main Street
Jewett, Texas 75846
ATTENTION: Ken Turner

In compliance with section 3406 of the Internal Revenue Code of 1986, as amended, payors making certain payments due on debt securities may be obligated to deduct and withhold 20% (31% for taxable years beginning in and after 1993) of such payment from the remittance to any payee who has failed to provide such payor with a valid taxpayer identification number. To avoid the imposition of this withholding tax, such payees should submit a certified taxpayer identification number when surrendering the Bonds for redemption.

CITY OF JEWETT, TEXAS