



# North East Independent School District

8961 Tesoro Drive, San Antonio, Texas 78217

## NOTICE OF MEETING OF THE BOARD OF TRUSTEES

Notice is hereby given that a meeting of the Board of Trustees of the North East Independent School District will be held on May 20, 2024 at 5:30 PM, in the Boardroom on the first floor of the Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas. Such meeting is a special meeting.

The open session portion of the meeting is livestreamed, and members of the public may view the meeting by going to the North East Independent School District's YouTube channel. Click the link below, or type it into your browser.

<https://www.youtube.com/c/NEISDtv>

### I. ESTABLISHMENT OF QUORUM AND CALL TO ORDER

### II. EXECUTIVE SESSION

A. Personnel, including but not limited to Administrative Appointments pursuant to Government Code Section 551.074

1. Assistant Principal of Churchill High School
2. Assistant Principal of International School of the Americas
3. Assistant Principal of Legacy of Educational Excellence High School
4. Assistant Principal of Tejeda Middle School
5. Discussion Regarding Specific Personnel Related to Internal Audit Department Quarterly Report

B. Purchase, Exchange, Lease, or Value of Real Property pursuant to Government Code Section 551.072

### III. RECONVENE INTO OPEN SESSION

### IV. MATTERS FROM EXECUTIVE SESSION

A. Personnel, including but not limited to Administrative Appointments pursuant to Government Code Section 551.074

1. Possible Action Regarding Routine Personnel including but not limited to Administrative Appointments 3

**Presenter:** Rudy Jimenez, Chief of Schools and Leadership

- a. Assistant Principal of Churchill High School
- b. Assistant Principal of International School of the Americas
- c. Assistant Principal of Legacy of Educational Excellence High School
- d. Assistant Principal of Tejeda Middle School

### V. PRESENTATION

A. Internal Audit Department Quarterly Board Update 4

**Presenter:** Lisa Shoesmith, Director of Internal Audit

### VI. BOARD PRESIDENT COMMENTS

### VII. BOARD BUSINESS

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<b>Presenter:</b> Dan Villarreal, Chief Financial Officer	
X. ADJOURNMENT	

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*If, during the course of the meeting, discussion of any item on the agenda should be held in an Executive or Closed Session, the Board will convene in such Executive or Closed Session in accordance with the Open Meetings Act, Texas Government Code, Section 551.071, 551.072, and 551.074.*

**CERTIFICATE AS TO POSTING OR GIVING OF NOTICE**

On this 17th day of May, no later than 5:30 PM, this notice was posted on a bulletin board located at a place readily accessible and convenient to the public at the Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas.

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The North East Independent School District does not discriminate on the basis of race, color, religion, gender, national origin, age, or disability



# NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Rudy Jimenez  
Chyla Whitton, Executive  
Director for Human  
Resources

Subject: Employment of Personnel  
New Hires

Related Page(s): None

## **ACTION ITEM**

### **BACKGROUND INFORMATION**

Policy DC (LOCAL) states: "The Superintendent has sole authority to make recommendations to the Board regarding the selection of contractual personnel in the following categories: central office administrator from the director level and above and campus administrator, including principals and assistant principals." Final authority for employment of contractual personnel in these categories shall be retained by the Board.

### **ADMINISTRATIVE CONSIDERATION**

Campus personnel are recommended for employment by campus principals in accordance with TEC § 11.202(b). All other personnel are recommended by appropriate supervisors. In both cases, the candidate deemed "best qualified" has been selected.

### **BUDGETARY CONSIDERATION**

New hires associated with replacement of personnel have been budgeted prior to the hiring process. New hires associated with recently established positions are covered by a contingency fund established by the Board for this purpose. Should the cost of such positions exceed the funds so budgeted, then a separate budget amendment is brought before the Board prior to additional positions being filled.

### **ADMINISTRATIVE RECOMMENDATION**

It is recommended that the Board of Trustees of the North East Independent School District approve the hiring of new personnel as presented.

### **BOARD ACTION REQUIRED**

Approval/Disapproval



## NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Lisa Shoesmith  
Director of Internal Audit

Subject: Internal Audit Dept.  
Quarterly Board Update

Related Page(s): Attachment

### PRESENTATION

#### **BACKGROUND INFORMATION**

The 2023-2024 Internal Audit Plan was developed by the Director of Internal Audit and approved by the Board of Trustees on August 7, 2023. A presentation will be made to the Board of Trustees, reporting the results of the audit work completed since the last Internal Audit Quarterly Board Update, which was held on February 19, 2024, as well as an account of the audit work currently in progress.

#### **BOARD ACTION REQUIRED**

None.



# NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Dan Villarreal  
Susan Lackorn, Executive Director  
Finance and Accounting

Subject: Notice of Public Meeting to Discuss Budget and Proposed Tax Rate  
Related Page(s): None

## ACTION ITEM

### **BACKGROUND INFORMATION**

Sections 44.002 -- 44.006 of the Texas Education Code establish the legal basis for budget development in school districts. Per Section 44.004, a public meeting should be called to adopt the budget & discuss the proposed tax rate. The district is required to provide for publication of notice of the meeting in a newspaper published in the district.

### **ADMINISTRATIVE CONSIDERATION**

The notice of public meeting to discuss the District's budget and proposed tax rate follows a specific format defined by Section 44.004 of the code. The notice contains information for the public related to estimated property values, the proposed tax rates and levy, bonded indebtedness, and estimated fund balances for the General (Maintenance & Operations) & Debt Service (Interest & Sinking) Funds. The District cannot adopt the tax rates until after receipt of certified property values from the Bexar Appraisal District and the Maximum Compressed Tax Rate from the Texas Education Agency. The District must publish a revised notice and hold another public meeting before adopting a tax rate exceeding the published rates.

Publication of the notice may not be earlier than the 30th day or later than the 10th day before the date of the hearing. NEISD will coordinate with the newspaper's staff to ensure the publication date falls within the window. The notice related to the 2024-2025 budget will set the public hearing date for June 17, 2024.

### **BUDGETARY CONSIDERATION**

The cost of preparing and publishing the notice are budgeted in the General Fund.

### **ADMINISTRATIVE RECOMMENDATION**

It is recommended the Board of Trustees approve publication of the Notice of Public Meeting to Discuss Budget and Proposed Tax Rates, in accordance with Texas Education Code, Section 44.004, setting the Public Meeting date as June 17, 2024.

### **BOARD ACTION REQUIRED**

Approval/Disapproval



# NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Dan Villarreal  
Susan Lackorn, Executive Director  
Finance and Accounting  
Rebecca Carrasco, Treasurer

Subject: Consideration and approval of an order authorizing the issuance of “North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2024”

Related Page(s): Draft Bond Order

## ACTION ITEM

### **BACKGROUND INFORMATION**

Consideration and approval of an order authorizing the issuance by the North East Independent School District of its Variable Rate Unlimited Tax Refunding Bonds, Series 2024; levying a continuing direct annual ad valorem tax for the payment of the Bonds; delegating the authority to certain members of the Board of Trustees and District Staff to approve and execute certain documents relating to the sale of the Bonds; and providing an effective date; and other matters in connection therewith.

### **ADMINISTRATIVE CONSIDERATION**

The order delegates to certain District officials and employees the ability to sell the Bonds and approve various documents and closing certificates with respect to the Bonds. Hilltop Securities Inc., as the District’s financial advisor, and Norton Rose Fulbright US LLP, as the District’s bond counsel, will coordinate the administrative aspects for the issuance of the Bonds including the pricing, sale, and closing of the Bonds.

### **BUDGETARY CONSIDERATION**

If the bonds are sold at a premium, the fees will be paid from the issuance of Bonds. If the bonds are sold at par, the fees will be paid by the Debt Service Fund.

### **ADMINISTRATIVE RECOMMENDATION**

It is recommended that the Board of Trustees adopt an order authorizing the “North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2024” pursuant to a delegated sale as presented.

### **BOARD ACTION REQUIRED**

Approval/Disapproval

**AN ORDER AUTHORIZING THE ISSUANCE BY THE NORTH EAST INDEPENDENT SCHOOL DISTRICT OF ITS VARIABLE RATE UNLIMITED TAX REFUNDING BONDS, SERIES 2024; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, PAYMENT AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFERING MEMORANDUM PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN ESCROW AGREEMENT, A REMARKETING AGREEMENT, A PURCHASE CONTRACT, AND A TENDER AGENT AGREEMENT, AS NECESSARY; COMPLYING WITH THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE BOARD OF TRUSTEES AND DISTRICT STAFF TO APPROVE AND EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, pursuant to the provisions of Chapter 1207, as amended, Texas Government Code (*Chapter 1207*), the Board of Trustees (the *Board* or *Governing Body*) of the North East Independent School District (the *District* or *Issuer*) is authorized to issue refunding bonds and deposit the proceeds of sale directly with any designated escrow agent for the District's unlimited tax bonds refunded with the proceeds of such refunding bonds and, in reliance on this authority, the District has delegated to an Authorized Official (defined herein) authority to determine, pursuant to the applicable provisions hereof, whether to issue refunding bonds hereunder for such purpose; and

WHEREAS, the Board has heretofore issued, sold, and delivered, and there is currently outstanding obligations, payable from ad valorem taxes, in the aggregate original principal amount of \$121,055000, being those obligations disclosed on Schedule II attached hereto and incorporated by reference for all purposes to this order (the *Refunded Obligations*); and

WHEREAS, pursuant to the provisions of Chapter 1207, the Board is authorized to issue refunding bonds and deposit the proceeds of sale directly with any designated escrow agent for the Refunded Obligations, and such deposit, when made in accordance with Chapter 1207, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, when firm banking arrangements have been made for the payment of principal and interest to the stated maturity or redemption dates of the Refunded Obligations, then the Refunded Obligations shall no longer be regarded as outstanding except for the purpose of receiving payment from the funds provided for such purpose and may not be included in or considered to be an indebtedness of the District for the purpose of a limitation on outstanding indebtedness or taxation or for any other purpose; and

WHEREAS, the Chapter 1207 permits that the deposit of the proceeds from the sale of the refunding bonds be deposited directly with any designated escrow agent for the Refunded Obligations which is not the depository bank of the District; and

WHEREAS, [BOKF, NA, Houston, Texas] is the paying agent/registrars for the Refunded Obligations; and

WHEREAS, [BOKF, NA, Houston, Texas], which is not a depository bank of the District, is hereby designated as the Escrow Agent (hereinafter defined) and as Paying Agent/Registrar (hereinafter defined) for the refunding bonds; and

WHEREAS, the Board hereby finds and determines that the refunding of the Refunded Obligations will be refunded with long term, variable-rate obligations; accordingly, and as permitted by the provisions of Section 1207.008, as amended, Texas Government Code, it is not practicable to calculate the savings from the refunding of the Refunded Obligations with long term, variable rate obligations; and

WHEREAS, the Board hereby finds and determines that, pursuant to applicable Texas law, the delegation to the Authorized Officials with the authority to execute the Approval Certificate (a form of which is attached hereto as Schedule I) to approve the final terms of the Bonds as set forth in the Approval Certificate is in the best interest of the District; and

WHEREAS, the Governing Body hereby finds and determines that the issuance of the unlimited tax bonds is in the best interests of the residents of the District; now, therefore,

BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE NORTH EAST INDEPENDENT SCHOOL DISTRICT:

ARTICLE I  
DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Order, the following terms shall have the meanings specified below:

*Authorized Denominations* shall mean \$5,000 and any integral multiple thereof.

*Authorized Official* shall mean any of the President, Board of Trustees, the Secretary, Board of Trustees, the Superintendent of Schools, the Chief Financial Officer, and the Executive Director of Finance and Accounting, and any successor thereto or person holding such position on an interim basis.

*Board or Governing Body* shall mean the Board of Trustees of the District.

*Bonds* shall mean the \$ \_\_, \_\_, \_\_ in original principal amount “North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2024” authorized for issuance pursuant to the terms of this Order.

*Book-Entry-Only System* shall mean the system maintained by the Securities Depository described in Section 2.07 and 2.09.

*Business Day* shall mean any day other than a Saturday, Sunday, legal holiday or any other day when banking institutions in New York, New York, or San Antonio, Texas are authorized or obligated by law or executive order to close or a day when the New York Stock Exchange is closed. Any payments required hereunder to be made on any day which is not a Business Day may be made instead on the next succeeding Business day, and no interest shall accrue on such payments in the interim.

*Chapter 1371* shall mean Chapter 1371, as amended, Texas Government Code.

*Closing Date* shall mean the date of the initial delivery of and payment for the Bonds.

*Code* shall mean the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date, including applicable regulations, published rulings, and court decisions.

*Conversion Date* shall mean: (a) with respect to the Fixed Rate Period, the Fixed Rate Conversion Date and (b) with respect to the Term Rate Period, the Term Rate Conversion Date, as applicable.

*Dated Date* shall mean June 1, 2024.

*District* shall mean the North East Independent School District.

*DTC* shall mean The Depository Trust Company of New York, New York, or any successor securities depository.

*DTC Participant* shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

*Event of Default* shall mean any event of default as defined in Section 11.01 of this Order.

*Fitch* shall mean Fitch Ratings, Inc., and its successors and assigns.

*Fixed Rate* shall mean the applicable per annum rate of interest a Bond shall bear during a Fixed Rate Period.

*Fixed Rate Conversion Date* shall mean the date on which the Bonds previously bearing interest at the Initial Rate or a Term Rate begin to bear interest at a Fixed Rate pursuant to Section 3.03, which Fixed Rate Conversion Date shall be an Interest Payment Date on which interest is payable for the Initial Rate Period or Term Rate Period from which the conversion is made.

*Fixed Rate Period* shall mean the period beginning on the Fixed Rate Conversion Date and ending at the stated maturity or maturities of the Bonds, during which the Bonds bear interest at one or more Fixed Rates.

*Government Securities* shall mean (i) direct noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the Governing Body adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the Governing Body adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; and (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

*Highest Rate* shall mean with respect to the Bonds, the lesser of (a) 7.000% per annum or (b) the maximum net effective interest rate permitted by law to be paid thereon as provided by Texas Government Code, Section 1204.006, as amended, or the maximum net effective interest rate permitted by applicable law at the time of issuance of the Bonds.

*Initial Bond* shall mean the initial Bond authorized by Section 2.04(d) of this Order.

*Initial Rate* shall mean the initial interest rate or rates the Bonds shall bear for the Initial Rate Period.

*Initial Rate Period* shall mean the period commencing on the Closing Date and ending on July 31, 20\_\_ during which period the Bonds bear interest at the single rate of interest set forth in Section 3.01 of this Order.

*Interest and Sinking Fund* shall mean the interest and sinking fund established by Section 2.14 of this Order.

*Interest Payment Date* shall mean February 1, 2025 and each February 1 and August 1 thereafter until stated maturity or prior redemption and each mandatory tender date during any Stepped Rate Period.

*Interest Period* shall mean (i) during the Initial Rate Period, the period from and including the Closing Date through \_\_\_\_\_, 2024 and (b) upon the expiration of the Initial Rate Period, the period from and including any Interest Payment Date to and including the day immediately preceding the next following Interest Payment Date.

*Moody's* shall mean Moody's Investors Service, Inc., and its successors and assigns.

*MSRB* shall mean the Municipal Securities Rulemaking Board.

*Opinion of Bond Counsel* shall mean an opinion of nationally recognized bond counsel, to the effect that the conversion of the interest rate on the Bonds in accordance with the terms of this Order will not have an adverse effect on the exclusion from federal income tax of the interest on the Bonds and is in compliance with State law.

*Order* shall mean this order authorizing the issuance of the Bonds adopted by the Governing Body on May 20, 2024.

*Owner or Holder* shall mean the person who is the registered owner of a Bond or Bonds, as shown in the Register.

*Outstanding* shall mean when used to modify Bonds, Bonds issued, authenticated and delivered under this Order, excluding (i) Bonds which have been exchanged or replaced or otherwise surrendered for cancellation, (ii) Bonds which have been paid, (iii) Bonds which have become due and for the payment of which money has been duly provided, (iv) Bonds deemed tendered for purchase and not delivered to the Tender Agent on the applicable purchase date, provided sufficient funds for payment of the Purchase Price are on deposit with the Tender Agent, and (v) Bonds with respect to which this Order has been discharged pursuant to Article XII.

*Paying Agent/Registrar* shall mean, initially, [BOKF, NA, Houston, Texas], or any successor thereto as provided in this Order.

*Payment Fund* shall mean the fund described in Section 4.02(e)(ii) hereof.

*Purchase Price* shall mean, with respect to each Bond (or any portion thereof) tendered for purchase pursuant to Article IV hereof, the par amount thereof, plus accrued but unpaid interest thereon to the date of purchase; provided, however, that in no event shall the amount of interest paid as part of the Purchase Price of any tendered Bond exceed an amount equal to the interest which would have accrued on such tendered Bond for a period of 187 days at the Highest Rate.

*Rate Determination Date* shall mean the date when the Remarketing Agent determines the rate of interest to be borne by the Bonds pursuant to Section 3.02(b).

*Rating Agency* shall mean Moody's, S&P, or Fitch.

*Record Date* shall mean the fifteenth day of the month immediately preceding such an Interest Payment Date.

*Refunding Candidates* shall mean those obligations styled:

- (1) North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2019, dated February 15, 2019 (the *2019 Bonds*), in the original principal amount of \$49,000,000 and scheduled to mature on August 1, 2049 in the aggregate principal amount of \$49,000,000 and subject to redemption on August 1, 2024 or any date thereafter; and

(2) North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2023, dated June 15, 2023 (the *2023 Bonds*), in the original principal amount of \$72,055,000 and scheduled to mature on August 1, 2052 in the aggregate principal amount of \$72,055,000 and subject to redemption on August 1, 2024 or any date thereafter.

*Register* shall mean the Register specified in Section 2.06(a) of this Order.

*Related Documents* shall mean and includes the Bonds, the Remarketing Agreement (if any), the Tender Agent Agreement, this Order and any and all other documents which the District has executed and delivered, or may hereafter execute and deliver, to evidence or secure the District's obligations thereunder.

*Remarketing Agent* shall mean the party selected from time to time by the District to serve as the remarketing agent for the Bonds while the Bonds are Outstanding in a Term Rate Period or Stepped Rate Period.

*Remarketing Agreement* shall mean any Remarketing Agreement between the District and the Remarketing Agent, pertaining to the Bonds.

*Rule* shall mean SEC Rule 15c2-12, as amended from time to time.

*S&P* shall mean S&P Global Ratings and its successors and assigns.

*SEC* shall mean the United States Securities and Exchange Commission.

*Stepped Rate* shall mean, initially, \_\_\_\_\_% per annum and thereafter, the interest rate applicable to the Bonds during a Stepped Rate Period as determined by the Remarketing Agent at the time of remarketing of the Bonds into the then-applicable Term Rate Period that will immediately precede the Stepped Rate Period (if any); provided, however, that the Stepped Rate shall never exceed the Highest Rate.

*Stepped Rate Period* shall mean the period of time commencing on the mandatory tender date described in Sections 4.02(f) and 4.04 and continuing through a subsequent remarketing or redemption of the Bonds.

*Tender Agent* shall mean, initially, [BOKF, NA, Houston, Texas], or any successor thereto.

*Tender Agent Agreement* shall mean the Tender Agent Agreement, dated as of May 20, 2024, between the District and the Tender Agent, pertaining to the Bonds or any similar agreement entered into from time to time with any successor Tender Agent.

*Term Rate* shall mean the interest rate to be determined for the Bonds of a term of one or more years pursuant to Section 3.02(b).

*Term Rate Conversion Date* shall mean the day which is the first day of a calendar month and the day the Bonds first bear interest at a Term Rate pursuant to Section 3.02(b).

*Term Rate Period* shall mean each period during which the Bonds bear interest at a Term Rate.

*Unclaimed Payments* shall mean money deposited with the Paying Agent/Registrar for the payment of principal, redemption premium, if any, or interest on the Bonds as the same come due and payable or money set aside for the payment of Bonds duly called for redemption prior to maturity.

*Undelivered Bonds* shall mean Bonds which are required to be delivered to the Tender Agent pursuant to the terms of this Order and which are not in fact delivered.

*Underwriters* shall mean the initial purchasers of the Bonds identified in Section 8.01(a).

Section 1.02. Table of Contents Titles, and Headings. The table of contents, titles, and headings of the Articles and Sections of this Order have been inserted for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms or provisions hereof and shall never be considered or given any effect in construing this Order or any provision hereof or in ascertaining intent, if any question of intent should arise.

Section 1.03. Interpretation. (a) Unless the context requires otherwise, words of the masculine gender shall be construed to include correlative words of the feminine and neuter genders and vice versa, and words of the singular number shall be construed to include correlative words of the plural number and vice versa.

(b) This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein.

ARTICLE II  
AUTHORIZATION; GENERAL TERMS; TAX LAW;  
INTEREST AND SINKING FUND

Section 2.01. Authorization. The District's bonds, to be designated "North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2024" (the *Bonds*) are hereby authorized to be issued and delivered in accordance with the Constitution and laws of the State of Texas, including particularly Chapter 45, of the Texas Education Code, Chapter 1207, and Chapter 1371. The Bonds shall be issued in the aggregate principal amount of \$\_\_\_\_,\_\_\_\_,\_\_\_\_ to provide funds for (i) the discharge and final payment of the Refunded Obligations, and (ii) paying the costs and expenses of issuance of the Bonds.

As authorized by Chapter 1207 and Chapter 1371, any Authorized Official is hereby authorized, appointed and designated as an officer of the District authorized to act on behalf of the District in selling and delivering, in one or more series, the Bonds authorized herein and carrying out the procedures specified in this Order, including approval, designation, and establishment of the following terms and provisions for each series of Bonds:

1. The identification and selection from the Refunding Candidates of those District obligations to be included as the Refunded Obligations refunded with proceeds of such series of Bonds.
2. The aggregate principal amount of each the Bonds, as well as the principal amount of each stated maturity.
3. The rate or rates of interest to be borne on the principal amount of each stated maturity of the Bonds, the length of the Initial Rate Period (as the same relates to one or more Bonds of a particular series), or Initial Rate Periods (as is the case if the Bonds are structured as one or more term Bonds of a particular series having Initial Rate Periods of different durations and bearing interest at different applicable Initial Rates during each of such Initial Rate Periods), and the Stepped Rate applicable to the Bonds.
4. The redemption provisions (including the determination of a mandatory redemption schedule or schedules) of the Bonds.
5. The Dated Date of the Bonds.
6. The selection of the senior managing underwriter and the co-managers (if any) to serve as the underwriter or syndicate of underwriters for the Bonds.
7. Pricing for the Bonds, including generation and use of original issue reoffering premium and/or discount, determination of underwriters' compensation, and applicable costs of issuance.

Each series of Bonds authorized by this Order shall be issued within the following parameters:

1. The combined principal amount of the Bonds issued hereunder shall not exceed \$118,130,000.
2. The maximum maturity of the Bonds hereunder shall not exceed August 1, 2052, and the duration of any Initial Rate Period applicable to the Bonds shall not exceed 10 years.
3. The interest rate or rates (i.e. coupon) on any Bond shall not at any time exceed the Highest Rate.
4. The Bonds must be sold not later than May 20, 2025 (though the closing of the Bonds sold in accordance with this provision may occur after May 20, 2025, so long as such closing period is determined by an Authorized Official to be of reasonable duration).

Each Authorized Official, acting for and on behalf of the District, is authorized, with respect to the Bonds, to complete and execute an Approval Certificate, in substantially the form

attached as Schedule I hereto. The execution of the Approval Certificate shall evidence the sale (including the date of such sale) of the Bonds by the District to the initial purchasers thereof. Upon execution of an Approval Certificate, Bond Counsel is authorized to complete a copy of this Order as evidence of the issuance of the Bonds pursuant to the delegated authority granted hereunder and to reflect such final terms for the Bonds, which includes (A) selection of the appropriate terms to reflect the final transaction structure and terms of sale evidenced in the Approval Certificate, (B) completion of Schedule II with those Refunding Candidates selected as Refunded Obligations to be refunded with the proceeds of the Bonds, and (C) such other necessary technical modifications to this Order (including the renumbering of sections hereof) to accommodate all other terms and provisions of this Section 2. In addition to the foregoing, each Authorized Official is authorized to execute, as the act and deed of the District and on behalf of the Board, any and all contracts, agreements, letters, and certificates, relative to the Bonds that may be required by this Order, as supplemented in the manner described above, or determined to be necessary or advisable in connection with an issuance of Bonds hereunder. It is further provided, however, that notwithstanding the foregoing provisions, no Bonds shall be delivered unless prior to delivery, the Bonds shall have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371.

Section 2.02. Date, Denomination Maturities, and Interest. (a) The Bonds shall be dated June 1, 2024. The Bonds shall be in fully registered form, without coupons, in Authorized Denominations, the Initial Bond shall each be numbered T-1 and the definitive Bonds shall be numbered separately from R-1 upward in order of their authentication. The Bonds shall mature on August 1, 20\_\_, and accrued interest on the unpaid principal amount of the Bonds shall be payable on each Interest Payment Date.

(b) Interest shall accrue on each Bond respectively until its maturity or prior redemption from the later of the Closing Date (anticipated to occur on or about June 27, 2024) or the most recent Interest Payment Date to which interest has been paid or duly provided for, at the rate or rates per annum all as specified in Article III. Interest on Bonds shall be calculated on the basis of a 360-day year composed of 12 months of 30 days each.

Section 2.03. Medium, Method, and Place of Payment. (a) The principal of, redemption premium, if any, and interest on the Bonds shall be paid in lawful money of the United States of America.

(b) Interest on the Bonds shall be payable to the Owners appearing in the Register at the close of business on the Record Date.

(c) Other than as provided in Section 2.08 with respect to Bonds held in the Book-Entry-Only System, principal and interest shall be paid by check, dated as of the Interest Payment Date, and sent by first-class mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address shown in the Register, or by such other customary banking arrangement acceptable to the Paying Agent/Registrar at the request of and at the risk and expense of the Owner.

(d) The principal of each Bond shall be paid to the Owners on the due date, whether at the maturity date or the date of prior redemption, only upon presentation and surrender of such Bond at the designated office of the Paying Agent/Registrar.

(e) If the date for the payment of the principal of or interest on the Bonds is not a Business Day, the date for such payment shall be the next succeeding Business Day and payment on such date shall for all purposes be deemed to have been made on the due date thereof.

(f) Unclaimed Payments that remain unclaimed by the Owners for ninety days after the applicable payment or redemption date shall be held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owners of the Bonds to which the Unclaimed Payments pertain. Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three years after the applicable payment or redemption date shall be reported and disposed of by the Paying Agent/Registrar in accordance with the applicable provisions of Texas law including, to the extent applicable, Title 6 of the Texas Property Code, as amended.

Section 2.04. Execution and Registration of Bonds. (a) The Bonds shall be executed on behalf of the District by the President and Secretary of the Board, by their manual or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of said officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds.

(b) If any officer of the District whose manual or facsimile signature appears on the Bonds ceases to be such officer before the authentication of such Bonds or before the delivery thereof, such manual or facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except for the Initial Bond, which need not be authenticated, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless there appears thereon the Certificate of Paying Agent/Registrar substantially in the form provided herein, duly authenticated by manual execution by an officer or duly authorized signatory of the Paying Agent/Registrar.

(d) On the Closing Date, one Initial Bond representing the entire principal amount of the Bonds, payable to the Underwriters, or their designee, executed by the manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General of the State of Texas, and registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed thereto, will be delivered to the Underwriters or their designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver registered definitive Bonds through DTC in accordance with instructions received from the Underwriters or their designee. The District and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representation attached hereto as Exhibit G (the *Representation Letter*). To the extent the Paying Agent/Registrar

is eligible to participate in DTC's FAST System, as evidenced by agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 2.05. Ownership. (a) The District, the Paying Agent/Registrar, and any other person may treat the person whose name appears in the Register as the registered owner of any Bond as the absolute owner of such Bond for the purpose of making and receiving payment of the principal thereof and redemption premium, if any, thereon, for the further purpose of making and receiving payment of the interest thereon (except interest shall be paid to the person in whose name the Bond is registered on the *Record Date*), and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Paying Agent/Registrar shall be bound by any notice or knowledge to the contrary.

(b) All payments made to the Owner of a Bond shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Bond to the extent of the sums paid.

Section 2.06. Registration, Transfer, and Exchange. (a) While any Bonds remain Outstanding, the District shall cause the Paying Agent/Registrar to keep the Register, in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall record the names and addresses of the Owners of the Bonds and information relating the payment and transfer of Bonds in accordance with this Order.

(b) The ownership of a Bond may be transferred only upon the presentation and surrender of the Bond at the designated trust office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar. No transfer of any Bond shall be effective until entered in the Register.

(c) The Bonds shall be exchangeable upon the presentation and surrender thereof at the designated office of the Paying Agent/Registrar for a Bond or Bonds of the same maturity and interest rate and in any Authorized Denomination and in an aggregate principal amount equal to the unpaid principal amount of the Bonds presented for exchange. The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds exchanged for other Bonds in accordance with this Section.

(d) Each exchange Bond delivered by the Paying Agent/Registrar in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such exchange Bond is delivered.

(e) No service charge shall be made to the Owner for the initial registration, any subsequent transfer, or exchange for a different denomination of any of the Bonds. The Paying Agent/Registrar, as applicable, however, may require the Owner to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection with the registration, transfer, or exchange of a Bond.

(f) Following a Fixed Rate Conversion Date, neither the District nor the Paying Agent/Registrar shall be required to issue, transfer, or exchange any Bond called for redemption

prior to maturity, in whole or in part, within thirty (30) days prior to the date fixed for redemption; provided, however, such limitation shall not be applicable to an exchange by the Owner of the uncalled principal balance of a Bond.

Section 2.07. Book-Entry-Only. The definitive Bonds shall be initially issued in the form of a single fully registered Bond. Upon initial issuance, the ownership of such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 2.08 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District, the Tender Agent and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District, the Tender Agent and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than an Owner, as shown on the Register, of any notice with respect to the Bonds, including any notice of redemption, or (c) the payment to any DTC Participant or any other person, other than an Owner, as shown on the Register of any amount with respect to principal of Bonds, premium, if any, or interest on the Bonds.

Except as provided in Section 2.09 of this Order, the District, the Tender Agent and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on the Bonds, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of Bonds, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payments of principal, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order.

Section 2.08. Payments and Notices to Cede & Co. Notwithstanding any other provision of this Order to the contrary, while any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter of the District to DTC.

Section 2.09. Successor Securities Depository: Transfer Book-Entry-Only System. In the event that the District or the Paying Agent/Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter of the District to DTC, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District or the Paying Agent/Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities and Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

Section 2.10. Term Rate Bonds Held in Book-Entry-Only System. This Section 2.10 shall apply with respect to tenders and purchases of Term Rate Bonds held in the Book-Entry System. The Remarketing Agent will transfer proceeds from the remarketing of tendered Term Rate Bonds, whether at their initial remarketing or in conjunction with a subsequent remarketing, directly to DTC to be distributed in accordance with DTC's normal procedures. Evidence of beneficial ownership in Term Rate Bonds purchased with such remarketing proceeds shall be provided to the purchasers thereof according to DTC's normal procedures. To the extent the Remarketing Agent is unable to successfully remarket tendered Term Rate Bonds and such failure is of a type specified in Sections 4.02(e) or 4.04, no change in the beneficial owner of the Bonds shall occur. Pursuant to the Remarketing Agreement, the Remarketing Agent shall continue its attempts to remarket the Bonds that are the subject of a failed remarketing as described in Sections 4.02(e) or 4.04.

Section 2.11. Cancellation. All Bonds paid or redeemed before scheduled maturity in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance with this Order, shall be canceled and proper records made regarding such payment, redemption, exchange, or replacement. The Paying Agent/Registrar shall destroy such canceled Bonds and periodically furnish the District with certificates of destruction of such Bonds.

Section 2.12. Replacement Bonds. (a) Upon the presentation and surrender to the Paying Agent/Registrar of a mutilated Bond, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding. The District or the Paying Agent/Registrar may require the Owner of such Bond to pay a sum sufficient to cover any tax or other governmental charge that is authorized to be imposed in connection therewith and any other expenses connected therewith.

(b) If any Bond is lost, apparently destroyed, or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall authorize and the Paying Agent/Registrar

shall deliver a replacement Bond of like tenor and principal amount, bearing a number not contemporaneously outstanding, provided that the Owner first:

(i) furnishes to the Paying Agent/Registrar satisfactory evidence of his or her ownership of and the circumstances of the loss, destruction, or theft of such Bond;

(ii) furnishes such security or indemnity as may be required by the Paying Agent/Registrar and the District to save them harmless;

(iii) pays all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Paying Agent/Registrar and any tax or other governmental charge that is authorized to be imposed; and

(iv) satisfies any other reasonable requirements imposed by the District or the Paying Agent/Registrar.

(c) After the delivery of such replacement Bond, if a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Paying Agent/Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost, or expense incurred by the District or the Paying Agent/Registrar in connection therewith.

(d) If any such mutilated, lost, apparently destroyed, or wrongfully taken Bond has become or is about to become due and payable, the District, in its discretion, instead of issuing a replacement Bond, may authorize the Paying Agent/Registrar to pay such Bond when it becomes due and payable.

(e) Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 2.13. Tax Levy. (a) Pursuant to the authority granted by the Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Bonds or any interest thereon is outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property within the District at a rate sufficient, without legal limit as to rate or amount, to pay the principal of and interest on the Bonds when due and payable, full allowance being made for delinquencies and costs of collection, taking into account any available or otherwise unencumbered funds of the District which are on deposit in the Interest and Sinking Fund established in Section 2.14 and are available to pay debt service on the Bonds, assuming the Highest Rate if the Bonds then bear interest at a Stepped Rate or at a Term Rate for a period shorter than the period for which taxes are then being assessed, and using the actual rate if the Bonds then bear interest at Fixed Rates or a Term Rate that remains in effect through the period for which taxes are then being assessed.

(b) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the District most recently approved in accordance with law and the money thus collected shall be deposited as collected to the Interest and Sinking Fund.

(c) Said ad valorem tax, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund are hereby pledged and committed irrevocably to the payment of the principal of and interest on the Bonds when and as due and payable in accordance with their terms and this Order.

(d) To the extent that the District receives an allocation from the Existing Debt Allotment Program or the Instructional Facilities Allotment Program (collectively, the *Program*) established pursuant to Chapter 46, as amended, Texas Education Code or credits a portion of its Basic Allotment established pursuant to Subchapter B of Chapter 42, as amended, Texas Education Code, in order to satisfy Section 45.0031 as amended, Texas Education Code, the District will comply with the provisions of Section 46.009(d) as amended, Texas Education Code, and the aforementioned Section 45.0031, concerning the deposit of these funds into the Interest and Sinking Fund.

(e) In connection with the issuance of the Bonds, the District may make application to the Texas Education Agency for financial assistance from the State of Texas (the *State*) in accordance with the Program. In each fiscal year in which the District received funding under the Program or any successor State funding program which provides a debt service subsidy for the Bonds (such funds being collectively referred to herein as *Debt Subsidy Funds*), the District shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Interest and Sinking Fund created pursuant to Section 2.14 hereof. Notwithstanding the requirements of this Section 2.13, if the Debt Subsidy Funds are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to this Section 2.13 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Interest and Sinking Fund.

Section 2.14. Interest and Sinking Fund. (a) The District hereby establishes a special fund or account, to be designated the “North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2024 Interest and Sinking Fund” (the *Interest and Sinking Fund* or the *Bond Fund*), said fund to be kept at an official depository bank of the District and established and maintained on the books and records of the District separate and apart from all other funds and accounts of the District.

(b) Money on deposit in or required by this Order to be deposited to the Interest and Sinking Fund shall be used solely for the purpose of paying the interest on and principal of the Bonds when and as due and payable.

Section 2.15. Escrow Agreement Approval and Execution. The Escrow Deposit Letter, dated as of May 20, 2024 (the *Agreement*), by and between the District and [BOKF, NA, Houston, Texas] (the *Escrow Agent*), attached hereto as Exhibit I and incorporated herein by reference as a part of this Order for all purposes, is hereby approved as to form and content, and such Agreement

in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the District, is hereby authorized to be executed by an Authorized Official for and on behalf of the District and as the act and deed of this Board of Trustees; and such Agreement as executed by said officials shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, any Authorized Official and Bond Counsel in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the Escrowed Securities, if any, referenced in the Agreement and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Underwriters for deposit to the credit of the “NORTH EAST INDEPENDENT SCHOOL DISTRICT VARIABLE RATE UNLIMITED TAX REFUNDING BONDS, SERIES 2024 ESCROW FUND” (the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the “United States Treasury Securities - State and Local Government Series” for deposit to the Escrow Fund; all as contemplated and provided by the provisions of Chapters 1207 and 1371, as amended, Texas Government Code, this Order, and the Agreement.

Section 2.16. Defeasance of Refunded Obligations. The District hereby authorizes and directs any Authorized Official to take all necessary steps to use the proceeds of the Bonds and other available revenues of the District, if any, to pay the principal of and interest on the respective payment dates set forth in Schedule II hereto.

Additionally, on or immediately prior to the date of the initial delivery of the Bonds to the Underwriters, an Authorized Official shall cause to be transferred any necessary funds in immediately available funds to the Escrow Agent from money on deposit in the interest and sinking fund maintained for the payment of the Refunded Obligations certain funds to accomplish the refunding of the Refunded Obligations.

### ARTICLE III INTEREST RATES ON BONDS

Section 3.01. Initial Interest Rates; Subsequent Interest Rates. The Bonds shall bear interest at the Initial Rate, being \_\_\_\_\_% per annum for the duration of the Initial Rate Period. At the end of the Initial Rate Period, the Bonds shall be subject to mandatory tender, without right of retention by the Owner; provided, however, that a failure of the Remarketing Agent to remarket the Bonds at the end of the Initial Rate Period, as further described in Section 4.04, shall result in the holders of the Bonds retaining such Bonds until the same are remarketed or redeemed pursuant to the applicable provisions of this Order. Thereafter, the Bonds shall bear interest at the Term Rate determined in accordance with the provisions of Section 3.02, except that the interest period applicable to the Bonds may be converted from the Initial Rate Period to a Term Rate Period of the same or different duration or to the Fixed Rate Period pursuant to Section 3.02 or 3.03, respectively. Notwithstanding the foregoing, if the Remarketing Agent fails to remarket the Bonds, resulting in the holders thereof retaining such Bonds subsequent to the end of the Initial Rate Period, those Bonds shall bear interest at the Stepped Rate for the duration of the Stepped Rate Period. No Opinion of Bond Counsel is required prior to or in conjunction with a conversion from the Initial Rate Period to a Term Rate Period (being the Term Rate Conversion Date).

Section 3.02. Term Rates; Conversions among Term Rate Periods. (a) Determination by Remarketing Agent. Subject to the further provisions of this Article III with respect to particular Term Rate or conversions between Term Rates, the Term Rate or Rates to be applicable to any Bonds during any Term Rate Period shall be determined by the Remarketing Agent. The Remarketing Agent shall determine the Term Rate in accordance with this section on the Rate Determination Date. The Term Rate so determined shall become effective on the first day of the next succeeding Term Rate Period.

(i) In each case, the Term Rate for the Term Rate Period in question shall be determined by the Remarketing Agent on the Rate Determination Date required pursuant to Section 3.02(b) below.

(ii) Each Term Rate determined by the Remarketing Agent shall be the lowest rate of interest which, in the judgment of the Remarketing Agent, in consultation with and as approved by the District, would cause the Bonds to have a market value not less than equal to the principal amount thereof, plus accrued interest, under prevailing market conditions as of the Rate Determination Date; provided, however, that any excess proceeds resultant from a pricing structure that produces a net reoffering premium shall (after applying a portion of such reoffering premium to the costs incurred by the District in connection with such reoffering and conversion, if so desired by the District) be used to reduce the principal amount of Bonds that are outstanding after the Term Rate conversion (with the redemption dates and prices determined pursuant to Article V hereof), and make the Term Rate available to the Paying Agent/Registrar; provided, further, however, that in no event shall any Bonds converted to a new Term Rate Period during which they bear interest at a Term Rate bear interest at a rate exceeding the Highest Rate.

(iii) All determinations of Term Rates pursuant to this Section shall be conclusive and binding, absent manifest error, upon the District, the Tender Agent, the Paying Agent/Registrar, and the Owners of the Bonds to which such rates are applicable. The District, the Tender Agent, the Paying Agent/Registrar and the Remarketing Agent shall not be liable to any Owners for failure to give any notice required above or for failure of any Owners to receive such notice.

(b) Manner of Term Rate Determination. A Term Rate shall be determined for each Term Rate Period as follows:

(i) Term Rate Periods shall (A) commence initially on the applicable Term Rate Conversion Date; and (B) end on the last day preceding either the commencement date of the following Term Rate Period or the Conversion Date on which a different Rate Period shall become effective.

(ii) The Term Rate for each Term Rate Period shall be effective from and including the commencement date of such Period and remain in effect through and including the last day thereof. Each such Term Rate shall be determined for each Term Rate Period not later than 12:00 p.m., New York City time on the Rate Determination Date, which date shall be a day not more than the 35<sup>th</sup> day immediately preceding the

commencement date of such Term Rate Period (as determined by the District and the Remarketing Agent), and each such Term Rate shall be made available to the Paying Agent/Registrar and the Tender Agent by the Remarketing Agent by the close of business on its Rate Determination Date.

(iii) Notice of each Term Rate shall be given by the Paying Agent/Registrar by first-class mail to each Owner promptly after such Term Rate is determined.

(iv) At the expiration of the Initial Rate Period and any Term Rate Period into which any Bonds have been remarketed thereafter, respectively, the District shall be obligated to remarket such Bonds pursuant to Section 3.02(c) hereof.

(v) If, at the expiration of the then-applicable Initial Rate Period or Term Rate Period, there occurs a failed remarketing of the type described in Section 4.02(f) hereto, such Bonds shall bear interest at the Stepped Rate for the duration of the Stepped Rate Period.

(c) Conversions between Term Rate Periods. At the option of the District, and pursuant to an order of the Board, the Bonds may be converted from the Initial Rate Period to a Term Rate Period or from one Term Rate Period to another. In addition, such order of the Board shall identify the Remarketing Agent that will accomplish the remarketing of the Bonds on the District's behalf at the time of such conversion. The District shall, in connection with the identification of the Remarketing Agent, authorize execution of a Remarketing Agreement therefor if no such agreement is then in place. To accomplish the proposed conversion, the District shall give written notice of the proposed conversion together with a copy of the Opinion of Bond Counsel, to the Remarketing Agent on the date that notice is required to be given pursuant to Section 3.02(c)(ii). The conversion shall be accomplished as follows:

(i) The Conversion Date of a conversion to a new Term Rate Period shall be an Interest Payment Date on which interest is payable for the Initial Rate Period or Term Rate Period, as applicable, from which the conversion is to be made.

(ii) The District shall give written notice of any such conversion to the Paying Agent/Registrar, and the Tender Agent not less than forty-five (45) days prior to the proposed Conversion Date. Such notice shall specify the proposed Conversion Date.

(iii) Not less than thirty (30) days prior to the Conversion Date, the Paying Agent/Registrar shall mail (by first-class mail) a written notice of the conversion to the Owners. Such notice shall:

(A) contain the information set forth in the notice from the District pursuant to Section 3.02(c)(ii) above,

(B) set forth the date by which the Remarketing Agent will determine and the Paying Agent/Registrar will notify the Owners of the Term Rate for the Term Rate Period commencing on the Term Rate Conversion Date pursuant to Section 3.02(g)(iv) below, and

(C) set forth the matters required to be stated pursuant to Section 4.03 with respect to purchases of such Bonds governed by such Section.

(iv) The Term Rate for the Term Rate Period commencing on the Conversion Date shall be determined by the Remarketing Agent in the manner provided in Section 3.02(a) above on the date set forth in Section 3.02(b) above.

(v) Any conversion pursuant to this Section 3.02 shall be subject to the condition that on or before two (2) days prior to the date the Paying Agent/Registrar is required to give notice of the date of such conversion, the District shall have delivered to the Paying Agent/Registrar and the Remarketing Agent an Opinion of Bond Counsel, if such conversion results in a reissuance under the Code.. If such Opinion of Bond Counsel is not delivered, the conversion shall not occur and the Bonds shall not be converted but shall remain in the same Initial Rate Period or Term Rate Period, as applicable; provided, however, that such Bonds shall be subject to mandatory tender as provided herein. For the avoidance of doubt, no opinion of Bond Counsel is required when a conversion of Bonds under this Section 3.02 does not result in a reissuance under the Code.

Section 3.03. Fixed Rate Conversion at Option of the District. At the option of the District, and pursuant to an order of the Board, Bonds bearing interest at the Initial Rate or at a Term Rate may be converted in whole or in part to a Fixed Rate to their maturity or prior redemption. A partial conversion to a Fixed Rate shall, with respect to Bonds so converted, be completed solely at the District's discretion and in the manner so provided by the Board. Any such conversion shall be made as follows:

(a) The Fixed Rate Conversion Date shall be an Interest Payment Date on which a new Term Rate Period would otherwise have commenced pursuant to Section 3.02(b) hereof.

(b) (i) The District shall give written notice of any such conversion to the Remarketing Agent, the Paying Agent/Registrar, and the Tender Agent not less than forty-five (45) days prior to the proposed Conversion Date. Such notice shall specify the Fixed Rate Conversion Date and the principal amount of Bonds to be converted.

(ii) Not less than thirty (30) days prior to the Fixed Rate Conversion Date, the Paying Agent/Registrar shall mail (by first-class mail) a written notice of the conversion to the Owner of all Bonds to be converted, specifying the Conversion Date and setting forth the matters required to be stated pursuant to Section 3.03(c).

(c) Notice of conversion shall be given by first-class mail by the Paying Agent/Registrar to Moody's, S&P, and Fitch and the Owners of all Bonds to be converted. Such notice shall inform the Owners of:

(i) the proposed Fixed Rate Conversion Date;

(ii) the date by which the Remarketing Agent will determine and the Paying Agent/Registrar will notify the Owners of the Fixed Rate pursuant to Section 3.03(d) below;

- (iii) the conditions to the conversion pursuant to Section 3.03(e) below;
- (iv) statement of whether such conversion is a partial conversion of Bonds or a conversion of all Bonds then Outstanding; and
- (v) the matters required to be stated pursuant to Section 4.03 with respect to purchases of Bonds governed by such Section.

(d) Not later than 12:00 p.m., New York City time, on or before the seventh (7th) Business Day prior to the Fixed Rate Conversion Date the Remarketing Agent shall, in consultation with and subject to the approval of the District, determine the Fixed Rate or Rates for the Bonds being converted to a Fixed Rate Period which will cause such Bonds to have a market value equal to not less than the principal amount thereof, provided that any excess proceeds resultant from a pricing structure that produces a net reoffering premium shall (after applying a portion of such reoffering premium to the costs incurred by the District in connection with such reoffering and conversion, if so desired by the District) be used to reduce the principal amount of Bonds that are Outstanding after such conversion to a Fixed Rate Period (with the redemption dates and prices determined pursuant to Section 5.02(c) hereof), and make the Fixed Rate or Rates available to the Paying Agent/Registrar; provided, however, in no event shall the Bonds converted to Fixed Rate bear interest at a rate exceeding the Highest Rate. Such determination shall be conclusive and binding upon the District, the Paying Agent/Registrar and the Owners of the Bond to which such Rate will be applicable. Promptly after the date of determination, the Paying Agent/Registrar shall give notice of such Fixed Rate or Rates by first-class mail to the Tender Agent.

(e) Any conversion to a Fixed Rate pursuant to this Section 3.03 shall be subject to the following conditions:

- (i) on or before the Fixed Rate Conversion Date, the District shall have delivered to the Paying Agent/Registrar and the Remarketing Agent an Opinion of Bond Counsel; and
- (ii) as of the Fixed Rate Conversion Date, sufficient funds shall be available to purchase Bonds which are then required to be purchased pursuant to Section 4.04.

If the foregoing conditions are not met for any reason, the conversion shall not be effective, the Bonds shall continue to bear interest at the last effective Term Rate or Stepped Rate, as applicable. The Paying Agent/Registrar shall promptly notify the Owners of such fact and shall give all additional notices and take all further actions required pursuant to Section 4.04 (to the extent applicable).

(f) At its option, the District also may determine the serial or term maturities, redemption provisions and other terms which shall be applicable to the pricing of the Bonds on and after the Fixed Rate Conversion Date; provided, however, that no such determination shall result in a greater amount of combined debt service on the Bonds in any year than is reflected in the Bonds' debt service schedule included in the final Offering Memorandum. Following the Fixed Rate Conversion Date, the Bonds shall be subject to optional and mandatory sinking fund

redemption, if at all, in whole or in part on such dates as shall be determined at the time of the conversion.

ARTICLE IV  
TENDER AND PURCHASE OF BONDS

Section 4.01. No Optional Tender. The Bonds are not subject to optional tender by the Holders thereof.

Section 4.02. Mandatory Tender Upon Term Rate Conversion.

(a) Conversions to Term Rate Periods. While the District is obligated to remarket the Bonds pursuant to Section 3.02(b)(iv), on any Term Rate Conversion Date pursuant to Section 3.02(c), such Bonds shall be converted from the Initial Rate Period to another Term Rate Period are subject to mandatory tender for purchase on the Term Rate Conversion Date at the Purchase Price.

(b) Notice to Owners. Any notice of a Term Rate Conversion Date given to Owners pursuant to Section 3.02(c)(iii) shall, in addition to the requirements of such Section, state whether the Bonds to be converted will be subject to mandatory tender for purchase on the Term Rate Conversion Date and the time at which the Bonds are to be tendered for purchase.

(c) Remarketing. Unless the Remarketing Agreement then in effect specifies that such remarketing shall constitute a firm financial arrangement with the Remarketing Agent, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for such Bonds. The terms of any sale by the Remarketing Agent shall provide for the payment of the Purchase Price of tendered Bonds to the Remarketing Agent in immediately available funds at or before 9:30 a.m., New York City time, on the Term Rate Conversion Date.

(d) Purchase of Tendered Bonds.

(i) Notice. At or before 3:00 p.m., New York City time, on the Business Day immediately preceding the date fixed for purchase of tendered Bonds, the Remarketing Agent shall give notice by telephone, facsimile, electronic mail transmission, or other similar communication to the Tender Agent of the principal amount of tendered Bonds which were not remarketed. Not later than 4:00 p.m., New York City time, on the date of receipt of such notice the Tender Agent shall give notice by telephone, facsimile, electronic mail transmission, or other similar communication to an Authorized Official and the Paying Agent/Registrar specifying the principal amount of tendered Bonds as to which the Remarketing Agent has not found a purchaser. At or before 3:00 p.m., New York City time, on the Business Day prior to the purchase date, to the extent known to the Remarketing Agent, but in any event, no later than 10:30 a.m., New York City time, on the date fixed for purchase, the Remarketing Agent shall give notice to the Tender Agent by telephone (promptly confirmed in writing) of any change in the names, addresses, and taxpayer identification numbers of the purchaser and, if available, payment instructions for regularly scheduled interest payments.

(ii) Sources of Payment. At or before 10:30 a.m., New York City time, the Remarketing Agent shall cause to be paid to the Tender Agent for deposit in the “North East Independent School District Remarketing Proceeds Payment Fund, Series 2024” (the *Payment Fund*) on the date fixed for purchase of the tendered Bonds, all amounts representing proceeds of the remarketing of such Bonds, such payments to be made in the manner and at the time specified in Section 4.02(d) above. If such amounts, plus all other amounts received by the Tender Agent for the purchase of tendered Bonds, are not sufficient to pay the Purchase Price, the Tender Agent shall immediately notify an Authorized Official of any deficiency no later than 11:00 a.m., New York City time, on such date; provided, however, in the event the date of purchase of the tendered Bonds is an Interest Payment Date, payment of the accrued interest portion of the Purchase Price for the tendered Bonds shall be the sole responsibility of the District. The District (if the District is obligated to pay the interest portion of the Purchase Price) shall deliver to the Tender Agent immediately available funds in an amount at least equal to its portion of the Purchase Price agreed to be paid on the tender date of such unremarketed tendered Bonds prior to 2:00 p.m., New York City time, on the date set for purchase of such tendered Bonds. All money received by the Tender Agent as remarketing proceeds and additional amounts, if any, received from the District to pay the Purchase Price of the tendered Bonds shall be deposited by the Tender Agent in the Payment Fund to be used solely for the payment of the Purchase Price of such tendered Bonds and shall not be commingled with other funds held by the Tender Agent and shall remain uninvested.

(iii) Payments by the Tender Agent. At or before 2:30 p.m., New York City time, on the date set for purchase of tendered Bonds and upon receipt by the Tender Agent of 100% of the aggregate Purchase Price of the tendered Bonds, the Tender Agent shall pay the Purchase Price of such Bonds to the Owners thereof at its designated office or by bank wire transfer. Such payments shall be made in immediately available funds. The Tender Agent shall apply in order (A) money paid to it by the Remarketing Agent as proceeds of the remarketing of such Bonds by the Remarketing Agent and (B) money, if any, paid by the District. If sufficient funds are not available for the purchase of all tendered Bonds, no purchase shall be consummated, in which case the provisions of Section 4.02(f) shall apply.

(iv) Registration and Delivery of Tendered or Purchased Bonds. On the purchase date, the Tender Agent shall register and deliver (or hold) or cancel all Bonds purchased or remarketed by the Remarketing Agent and shall deliver to the new registered owner(s) in accordance with the instructions of the Remarketing Agent by 2:00 p.m., New York City time.

Notwithstanding anything to the contrary in the foregoing paragraph, for so long as the Bonds are held in the Book-Entry-Only System of DTC in accordance with Section 2.07 hereof, any Bond remarketed by the Remarketing Agent shall be delivered to the new beneficial owner thereof by a transfer in the Book-Entry-Only System of DTC of such remarketed Bond to the applicable DTC Participant account for such beneficial owner.

(v) Delivery of Bonds; Effect of Failure to Surrender Bonds. All Bonds to be purchased on any date shall be required to be delivered to the office of the Tender Agent

at or before 5:00 p.m., New York City time, on the Business Day next preceding the purchase date (12:00 noon New York City time on the tender date for Bonds held in book entry only system). If the Owner of any Bond (or portion thereof) that is subject to purchase pursuant to this Section fails to deliver such Bond to the Tender Agent for purchase on the purchase date, and if the Tender Agent is in receipt of the Purchase Price therefor, such Bond (or portion thereof) shall nevertheless be deemed purchased on the day fixed for purchase thereof and shall constitute an Undelivered Bond. Ownership of Undelivered Bonds (or portions thereof) shall be transferred to the purchaser thereof as provided in Section 4.02(d)(iv) above. Any Owner of Undelivered Bonds shall have no further right thereunder except the right to receive the Purchase Price thereof upon presentation and surrender of said Bond to the Tender Agent. The Tender Agent shall, as to any Undelivered Bonds, (A) promptly notify the Remarketing Agent of such nondelivery and (B) place a stop transfer against such Undelivered Bonds.

(e) Failure to Remarket Tendered Bonds. In the event that Bonds in the Initial Rate Period or any Term Rate Period are not converted and remarketed to new purchasers on the applicable Conversion Date, the District shall have no obligation to purchase the Bonds tendered on such date, the failed conversion and remarketing shall not constitute an Event of Default under this Order or the Bonds, the mandatory tender will be deemed to have been rescinded for that date with respect to the Bonds subject to such failed remarketing only, and such Bonds (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such Bonds, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District's discretion upon delivery of at least one day's notice to the Holders thereof), and (v) will be deemed to continue in the Initial Rate Period or Term Rate Period for all other purposes of this Order, though bearing interest during such time at the Stepped Rate, calculated on the basis of twelve 30 day months and the number of days actually elapsed, until remarketed or redeemed in accordance with the terms of this Order. In the event of a failed conversion and remarketing as described above, the District will cause the Bonds to be converted and remarketed on the earliest reasonably practicable date on which they can be sold at no less than par, in such interest rate mode or modes as the District directs, bearing interest at a rate not exceeding the Highest Rate. All other provisions of Section 4.02 shall apply to and govern Bonds described in this Subsection (f) to the extent such terms are not in conflict with those included herein.

Section 4.03. Mandatory Tender Upon Fixed Rate Conversion. (a) Mandatory Tender Upon Conversion. Any Bonds to be converted to a Fixed Rate Period pursuant to Section 3.03 shall be subject to mandatory tender for purchase on the Fixed Rate Conversion Date at the Purchase Price. The Owners shall not have the right to elect to retain their Bonds.

(b) Notice to Owners. Any notice of conversion given to Owners pursuant to Section 3.03(c) shall, in addition to the requirements of such Section, state that Owners shall not have the right to waive mandatory tender and that Bonds not delivered to the Tender Agent for purchase on the date specified in the notice shall be deemed tendered on such date and that after such date Owners will not be entitled to any payment (including interest to accrue subsequent to the required

purchase date) other than the Purchase Price for such Undelivered Bonds and such Undelivered Bonds shall no longer be entitled to the benefits of this Order.

(c) Remarketing. Unless the Remarketing Agreement then in effect specifies that such remarketing shall constitute a firm financial arrangement with the Remarketing Agent, the Remarketing Agent shall offer for sale and use its best efforts to find purchasers for the Bonds. The terms of any sale by the Remarketing Agent shall provide for the payment of the Purchase Price to the Remarketing Agent of the tendered Bonds in immediately available funds at or before 9:30 a.m., New York City time on the Fixed Rate Conversion Date.

(d) Purchase of Tendered Bonds. The provisions of Section 4.02(e) shall apply to mandatory tenders pursuant to this Section 4.03.

Section 4.04. Mandatory Tender at End of Initial Rate Period. Notwithstanding any provisions of this Order to the contrary, the Bonds issued hereunder shall be subject to mandatory tender on the Conversion Date immediately following the end of the Initial Rate Period, without right of retention by the Owner, at the Purchase Price. Bonds tendered pursuant to this Section 4.04 shall be delivered to the Remarketing Agent against payment therefor in accordance with the provisions of Section 4.02(e). In the event that such Bonds are not converted and remarketed to new purchasers on the scheduled date of mandatory tender, the District shall have no obligation to purchase the Bonds tendered on such date, the failed conversion and remarketing shall not constitute an Event of Default under this Order or the Bonds, the mandatory tender will be deemed to have been rescinded for that date with respect to the Bonds subject to such failed remarketing only, and such Bonds (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of such Bonds, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District's discretion upon delivery of at least one day's notice to the Holders thereof), and (v) will be deemed to continue in an Initial Rate Period for all other purposes of this Order, though bearing interest during such time at the Stepped Rate, calculated on the basis of twelve 30 day months and the number of days actually elapsed, until remarketed or redeemed in accordance with the terms of this Order. In the event of a failed conversion and remarketing as described above, the District will cause the Bonds to be converted and remarketed on the earliest reasonably practicable date on which they can be sold at a price not less than par, in such interest rate mode or modes as the District directs, bearing interest at a rate not exceeding the Highest Rate.

## ARTICLE V REDEMPTION OF BONDS BEFORE MATURITY

Section 5.01. Limitation on Redemption. The Bonds shall be subject to redemption before scheduled maturity only as provided in this Article V.

Section 5.02. Optional Redemption. (a) Except as hereafter specified, or unless specified otherwise in the Approval Certificate, Bonds bearing interest at the Initial Rate are not, during the Initial Rate Period, subject to redemption at the option of the District.

(b) Prior to the Fixed Rate Conversion Date, Bonds bearing interest at a Term Rate during a Term Rate Period are subject to redemption, if at all, at the times, at the prices, and in the manner determined by the District on a Term Rate Conversion Date (and as evidenced in an Approval Certificate). Upon conversion, Bonds bearing interest at Fixed Rates during a Fixed Rate Period are subject to redemption, if at all, at the option of the District, in whole or in part, on the dates and at the prices determined and established by the District on the Fixed Rate Conversion Date (and as evidenced in an Approval Certificate).

(c) All Bonds are callable, at the option of the District, in whole or in part, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date, on any Conversion Date.

(d) Bonds bearing interest at the Stepped Rate during the Stepped Rate Period are subject to redemption, in whole or in part, at the option of the District, at a redemption price equal to the principal amount thereof plus interest accrued thereon at the Stepped Rate to the redemption date, on any date.

(e) The District shall deliver notice to the Paying Agent/Registrar of its intention to redeem Bonds, which notice shall specify the principal amount of the Bonds to be redeemed (i) with respect to Bonds bearing interest at a Stepped Rate, at least two (2) days prior to the redemption date and (ii) with respect to Bonds bearing interest at a Term Rate or at Fixed Rates, at least thirty (30) days prior to the redemption date.

(f) On or prior to the date established for optional redemption of any Bonds, the District shall have deposited an amount sufficient to pay the redemption price of the Bonds to be redeemed with the Paying Agent/Registrar. Such money shall be invested, if at all, in Government Securities.

Section 5.03. Mandatory Redemption. The Bonds are subject to mandatory redemption from money on deposit in the Interest and Sinking Fund at a price of par plus accrued interest to the date fixed for redemption, on August 1 in each of the years and in the amounts set out below.

<u>Year</u>	<u>Amount (\$)</u>
-------------	--------------------

Year  
8/1

Amount (\$)

\*Stated Maturity

The principal amount of Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with money in the Interest and Sinking Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth above and not theretofor credited against a mandatory redemption requirement.

Notwithstanding the provisions of Section 2.13 hereof, in addition, each fiscal year the Bonds are Outstanding and accruing interest, the District shall, at the District's discretion, and with respect to Bonds other than Bonds bearing interest at Fixed Rates, budget for such fiscal year and levy taxes for the payment of interest on the Bonds based on an interest rate on the Bonds equal to the actual rate borne thereby or up to 5.00% per annum (unless the Bonds at such time bear interest in excess of 5.00% in which case the actual rate of interest shall be used). At the end of the fiscal year in which the District levies a tax based on the interest rate on the Bonds as heretofore described, the District shall determine whether the interest paid on the Bonds in such fiscal year is less than such interest rate used to levy a tax. If in such circumstance the amount of interest paid on the Bonds is less than the interest rate used to levy a tax, the District shall cause the difference

between the amount budgeted and the amount paid on the Bonds (*Excess Interest Funds*) to be allocated and appropriated for the payment of the mandatory redemption of Bonds (other than Bonds bearing interest at Fixed Rates) on the first August 1 next following the end of such fiscal year; provided the amount of such Excess Interest Funds is equal to or greater than \$100,000. In each fiscal year when the amount of Excess Interest Funds is equal to or greater than \$100,000, the District shall cause Bonds in a principal amount equivalent to the Excess Interest Funds to be redeemed on the June 1 next following the end of such fiscal year at the redemption price of par plus accrued interest to the date of redemption. The mandatory redemption of Bonds in accordance with the provisions of this paragraph shall be in addition to the amount of Bonds to be mandatorily redeemed as set forth in the schedule above in the years shown.

On or before June 15 of each year preceding each mandatory redemption date the Bonds are to be mandatorily redeemed, the District will notify the Paying Agent/Registrar in writing of the principal amount of Bonds to be mandatorily redeemed with Excess Interest Funds on the following August 1, and instruct the Paying Agent/Registrar to select by lot or other customary random selection method the Bonds or portions thereof to be redeemed.

Section 5.04. Partial Redemption. (a) Except for Bonds redeemed on a Conversion Date and that are, on such date, subject to mandatory tender, Bonds redeemed in part shall be selected for redemption at random and by lot.

(b) A portion of a single Bond of a denomination greater than an Authorized Denomination may be redeemed but only in a principal amount equal to a minimum Authorized Denomination or any integral multiple thereof. The Paying Agent/Registrar shall treat each minimum Authorized Denomination of such Bond as though it were a single Bond for purposes of selection for redemption.

(c) Upon surrender of any Bond for redemption in part, the Paying Agent/Registrar shall authenticate and deliver an exchange Bond or Bonds in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

Section 5.05. Notice of Redemption. (a) The Paying Agent/Registrar shall cause notice of redemption of any Bond to be redeemed in whole or in part to be mailed first-class mail to the Owner thereof at the address of the Owner appearing in the Register (i) with respect to a Bond bearing interest at a Stepped Rate, at least one (1) day prior to the redemption date and (ii) with respect to a Bond bearing interest at the Initial Interest Rate, a Term Rate, or a Fixed Rate, at least thirty (30) days prior to the redemption date.

(b) The notice of redemption shall identify the Bonds to be redeemed, and shall specify the numbers thereof, the redemption date and the redemption price. The notice shall state that (i) on the redemption date the Bonds called for redemption will be payable at the designated office of the Paying Agent/Registrar, and (ii) on and after the redemption date interest will cease to accrue.

(c) Any notice given as provided in this Section shall be conclusively presumed to have been duly given, whether or not the Owner receives such notice.

(d) Notwithstanding the foregoing, a notice of mandatory tender delivered in accordance with Section 4.02(b) hereof shall serve as notice of redemption of Bonds, if any such redemption is to occur, at the option of the District on a Conversion Date.

Section 5.06. Payment Upon Redemption. (a) By each redemption date, the District shall deposit (or cause to be deposited) with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date.

(b) Upon presentation and surrender of any Bond called for redemption at the designated office of the Paying Agent/Registrar on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the principal of and accrued interest on such Bond to the date of redemption from the money provided for that purpose.

Section 5.07. Effect of Redemption. (a) Notice of redemption having been given, and due provision having been made for payment, the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption; thereafter, such Bonds or portions thereof shall cease to bear interest from the date fixed for redemption, whether or not such Bonds are presented and surrendered for payment on such date.

(b) If the District shall fail to make provision for the payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest until due provision is made for the payment of same by the District.

ARTICLE VI  
PAYING AGENT/REGISTRAR; REMARKETING AGENT;  
TENDER AGENT

Section 6.01. Appointment of Initial Paying Agent/Registrar. [BOKF, NA, Houston, Texas] is hereby appointed as the initial Paying Agent/Registrar for the Bonds, and the Paying Agent/Registrar Agreement, attached hereto, in substantially final form, as Exhibit B, is hereby approved and authorized to be executed by an Authorized Official for and on behalf of the District and the Board. Such Agreement, as executed by an Authorized Official, shall be deemed to be the Paying Agent/Registrar Agreement herein approved and authorized to be executed and delivered for and on behalf of the District and the Board.

Section 6.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank or trust company organized under the laws of the United States or any state, or other entity duly qualified and legally authorized to serve as and perform the duties and services of paying agent and registrar for the Bonds.

Section 6.03. Maintaining Paying Agent/Registrar. (a) At all times while any Bonds are outstanding, the District will maintain a Paying Agent/Registrar that is qualified under Section 6.02 of this Order. Each Authorized Official is hereby authorized and directed to execute an agreement with the Paying Agent/Registrar specifying the duties and responsibilities of the District and the Paying Agent/ Registrar.

(b) If the Paying Agent/Registrar resigns or otherwise ceases to serve as such, the District will promptly appoint a replacement.

Section 6.04. Termination. The District, upon not less than forty-five (45) days' notice, reserves the right to terminate the appointment of any Paying Agent/Registrar by delivering written notice of such termination.

Section 6.05. Notice of Change to Owners. Promptly upon each change in the entity serving as Paying Agent/Registrar, the District will cause notice of the change to be sent to each Owner by first-class United States mail, postage prepaid, at the address shown in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 6.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar and executing a paying agent/registrar agreement with the District, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and that it will perform the duties and functions of Paying Agent/Registrar prescribed thereby.

Section 6.07. Delivery of Records to Successor. If a Paying Agent/Registrar is replaced, such Paying Agent/Registrar, promptly upon the appointment of the successor, will deliver the Register (or a copy thereof) and all other pertinent books and records relating to the Bonds to the successor Paying Agent/Registrar.

Section 6.08. Appointment of Initial Remarketing Agent. The District hereby authorizes each Authorized Official to identify and select the Remarketing Agent for the Bonds while they are in the Initial Rate Period, if determined thereby to be necessary or beneficial (subject to the requirement to select a Remarketing Agent as provided in Section 6.10 below). The Remarketing Agent shall signify its acceptance of the duties and obligations imposed on it hereunder by its execution of the Remarketing Agreement, the execution of which is hereby approved. Additionally, each Authorized Official is hereby authorized and directed to execute and deliver the Remarketing Agreement, attached hereto, in substantially final form, as Exhibit C, for and on behalf of the District and this Board, and such Remarketing Agreement as executed by an Authorized Official shall be deemed to be the Remarketing Agreement herein approved and authorized to be executed and delivered for and on behalf of the District and this Board.

Section 6.09. Appointment of Initial Tender Agent. The District hereby appoints [BOKF, NA, Houston, Texas], as initial Tender Agent for the Bonds. The Tender Agent shall signify its acceptance of the duties and obligations imposed on it hereunder by its execution of the Tender Agent Agreement, the execution of which is hereby approved. Additionally, each Authorized Official is hereby authorized and directed to execute and deliver the Tender Agent Agreement, attached hereto, in substantially final form, as Exhibit D, for and on behalf of the District and this Board, and such Tender Agent Agreement, as executed by an Authorized Official shall be deemed to be the Tender Agent Agreement herein approved and authorized to be executed and delivered for and on behalf of the District and this Board.

Each Tender Agent shall be a commercial bank or trust company organized under the laws of the United States or any state, or other entity duly qualified and legally authorized to serve as and perform the duties and services of tender agent for the Bonds.

Section 6.10. Maintaining Remarketing Agent and Tender Agent. (a) The District need not maintain a Remarketing Agreement for the Bonds during the Initial Rate Period or any Term Rate Period so long as the Board, in the order required under Section 3.02(c), identifies and names therein the party to serve as Remarketing Agent in connection with the conversion in such order contemplated and at such time executes a Remarketing Agreement evidencing the Remarketing Agent's agreement to serve in such capacity in addition to the terms governing such agreement. No resignation or removal of the Remarketing Agent (if required to be maintained) or Tender Agent shall become effective until a successor has been appointed and accepted such appointment. Any successor Tender Agent shall have capital of not less than \$50,000,000.

(b) Promptly upon each change in the entity serving as Remarketing Agent or Tender Agent, the District will cause notice of such change to be sent to each Owner by first-class mail.

## ARTICLE VII FORM OF THE BONDS

Section 7.01. Form Generally. (a) The Bonds, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Certificate of the Paying Agent/Registrar, and the Assignment form to appear on each of the Bonds, (i) shall be substantially in the form set forth in this Article, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order, and (ii) may have such letters, numbers, or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including the guarantee of the Permanent School Fund, insurance legends in the event the Bonds (or any Stated Maturities thereof) are insured, and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as, consistently herewith, may be determined by the District or by the officers executing such Bonds, as evidenced by their execution.

(b) Any portion of the text of any Bonds may be set forth on the reverse side thereof, with an appropriate reference thereto on the face of the Bonds.

(c) The definitive Bonds may be typewritten, photocopied, printed, lithographed, or engraved, and may be produced by any combination of these methods or produced in any other similar manner, all as determined by the officers executing such Bonds, as evidenced by their execution.

(d) The Initial Bond submitted to the Attorney General of the State of Texas may be typewritten and photocopied or otherwise reproduced with the series as designated in the form and the headings "Interest Rate" and "CUSIP No." shall both be omitted.

(e) If bond insurance is obtained by the Underwriters or if the Bonds are guaranteed by the Permanent School Fund of the State of Texas, the definitive Bonds and the Initial Bond shall

bear an appropriate legend as provided by the Insurer or the Texas Education Agency, as applicable, to appear under the following header (as applicable):

[BOND INSURANCE] [PERMANENT SCHOOL FUND GUARANTEE]

Section 7.02. Form of the Bonds. The form of the Bonds, including the form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the form of Certificate of the Paying Agent/Registrar, and the form of Assignment appearing on the Bonds, shall be substantially as set forth in Exhibit A attached hereto.

Section 7.03. CUSIP Registration. The District may secure identification numbers through the CUSIP Global Services, managed by S&P Global Market Intelligence on behalf of The American Bankers Association, and may authorize the printing of such numbers on the face of the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the District nor the attorneys approving said Bonds as to legality are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 7.04. Legal Opinion. The obligation of the Underwriters to accept delivery of the Bonds is subject to being furnished a final opinion of Norton Rose Fulbright US LLP, San Antonio, Texas (*Bond Counsel*), approving such Bonds as to their validity, said opinion to be dated and delivered as of the date of delivery and payment for such Bonds. A true and correct reproduction of said opinion or an executed counterpart thereof is hereby authorized to be either printed on definitive printed obligations or deposited with DTC along with the global certificates for the implementation and use of the Book-Entry System used in the settlement and transfer of the Bonds.

ARTICLE VIII  
SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 8.01. Sale of Bonds; Offering Memorandum. (a) The Bonds authorized by this Order are hereby sold by the District to Robert W, Baird & Co. Incorporated, San Antonio, Texas (the *Underwriters*) in accordance with the provisions of the Purchase Contract (the *Purchase Contract*) attached hereto as Exhibit F. The Initial Bond shall be registered in the name of Robert W, Baird & Co. Incorporated.

(b) Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the District and as the act and deed of the Board, and in regard to the approval and execution of the Purchase Contract, the Board hereby finds, determines and declares that the representations, warranties, and agreements of the District contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the District. Delivery of the Bonds to the Underwriters shall occur as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Purchase Contract.

(c) The form and substance of the Offering Memorandum, and any addenda, supplement or amendment thereto (the *Offering Memorandum*) presented to and considered at this

meeting, are hereby in all respects approved and adopted, and is hereby deemed final as of its date (except for the omission of pricing and related information) within the meaning and for the purposes of paragraph (b)(1) of the Rule and the President and Secretary of the Board are hereby authorized and directed to execute the same and deliver appropriate numbers of executed copies thereof to the Underwriters. The Offering Memorandum as thus approved, executed and delivered, with such appropriate variations as shall be approved by an Authorized Official and the Underwriters, may be used by the Underwriters in the public offering and sale thereof.

(d) All officers of the District are authorized and directed to execute such documents, certificates and receipts as they may deem appropriate to consummate the delivery of the Bonds.

(e) The obligation of the Underwriters to accept delivery of the Bonds is subject to such Underwriters being furnished with the final, approving opinions of the Attorney General of the State of Texas and of Norton Rose Fulbright US LLP, Bond Counsel for the District.

(f) The proceeds derived from the sale of the Bonds, being principal of the Bonds in the amount of \$ \_\_, \_\_, \_\_.00, together with a District contribution of \$ \_\_\_\_\_ shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Agreement. The remainder of the District contribution not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance or deposited in the Bond Fund for the Bonds, all in accordance with written instructions an Authorized Official.

Section 8.02. Control and Delivery of Bonds. (a) The President of the Board is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining thereto pending investigation, examination, and approval of the Attorney General of the State of Texas, registration by the Comptroller of Public Accounts of the State of Texas, and registration with, and initial exchange or transfer by, the Paying Agent/Registrar.

(b) After registration by the Comptroller of Public Accounts, delivery of the Bonds shall be made to the Underwriters against receipt by the District of all amounts due to the District under the terms of sale.

## ARTICLE IX INVESTMENTS

Section 9.01. Investments. (a) Money in the Interest and Sinking Fund created by this Order, at the option of the District, may be invested in such securities or obligations as permitted under applicable law, and pending the disbursement of the proceeds of sale of the Bonds for authorized purposes, such proceeds of sale may be invested in authorized investments in accordance with the Public Funds Investment Act (V.T.C.A., Government Code, Chapter 2256), as amended, or other applicable law.

(b) Any securities or obligations in which money is so invested shall be kept and held in trust for the benefit of the Owners and shall be sold and the proceeds of sale shall be timely applied to the making of all payments required to be made from the Interest and Sinking Fund.

Section 9.02. Investment Income. (a) Interest and income derived from investment of the Interest and Sinking Fund shall be credited to such fund.

(b) Interest and income derived from investment of the proceeds of sale of the Bonds and the payment of the costs of issuance shall be credited to the fund or account where deposited and shall be used for such purposes, with any funds remaining after the accomplishment of such purposes to be transferred to the Interest and Sinking Fund as received.

## ARTICLE X PARTICULAR REPRESENTATIONS AND COVENANTS

Section 10.01. Payment of the Bonds. On or before each Interest Payment Date for the Bonds, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such principal, redemption premium, if any, and interest on the Bonds as will accrue or mature on the applicable Interest Payment Date or date of prior redemption.

Section 10.02. Other Representations and Covenants. (a) The District will faithfully perform at all times any and all covenants, undertakings, stipulations, and provisions contained in this Order and in each Bond; the District will promptly pay or cause to be paid the principal, redemption premium, if any, and interest on each Bond on the dates and at the places and manner prescribed in such Bond; and the District will, at the times and in the manner prescribed by this Order, deposit or cause to be deposited the amounts of money specified by this Order.

(b) The District is duly authorized under the laws of the State of Texas to issue the Bonds; all action on its part for the creation and issuance of the Bonds has been duly and effectively taken; and the Bonds in the hands of the Owners thereof are and will be valid and enforceable obligations of the District in accordance with their terms.

Section 10.03. Covenants to Maintain Tax — Exempt Status.

(a) Definitions. When used in this Section 10.03, the following terms have the following meanings:

*Computation Date* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Gross Proceeds* means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Bonds.

*Investment* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Nonpurpose Investment* means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Bonds are invested and which is not acquired to carry out the governmental purposes of the Bonds.

*Rebate Amount* has the meaning set forth in Section 1.148-1(b) of the Regulations.

*Regulations* means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Bonds. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

*Yield* of (1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations and (2) the Bonds, as a single issue, has the meaning set forth in Section 1.148-4 of the Regulations.

(b) Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Bond to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Bond, the District shall comply with each of the specific covenants in this Section.

(c) No Private Use or Private Payments. Except to the extent it will not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last Stated Maturity of Bonds:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Bonds (including property financed with Gross Proceeds of the Refunded Obligations), and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Bonds or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds (including property financed with Gross Proceeds of the Refunded Obligations), other than taxes of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

(d) No Private Loan. Except to the extent it will not cause the Bonds to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and

rulings thereunder, the District shall not use Gross Proceeds of the Bonds to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

(e) Not to Invest at Higher Yield. Except to the extent it will not cause the Bonds to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final Stated Maturity of the Bonds directly or indirectly invest Gross Proceeds in any Investment (or use Gross Proceeds to replace money so invested), if as a result of such investment the Yield from the Issue Date (as defined in the Regulations) of all Investments acquired with Gross Proceeds (or with money replaced thereby), whether then held or previously disposed of, exceeds the Yield of the Bonds.

(f) Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Bonds to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

(g) Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

(h) Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder:

(1) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Bond is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Bonds with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Bonds until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Bonds by the Underwriter and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States out of the Interest and Sinking Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Bonds equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by Section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

(i) Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Bonds, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection (h) of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Bonds not been relevant to either party.

(j) Bonds Not Hedge Bonds.

(1) At the time the Refunded Obligations were issued, the District reasonably expected to spend at least 85% of the spendable proceeds of such bonds within three years after such bonds were issued.

(2) Not more than 50% of the proceeds of the Refunded Obligations were invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of four (4) years or more.

(k) Current Refunding of the Refunded Obligations. The Bonds are issued, in part, to refund the Refunded Obligations, and the Bonds will be issued, and certain proceeds thereof used, within 90 days after the Closing Date for the redemption of the Refunded Obligations. In the issuance of the Bonds, the District has employed no "device" to obtain a material financial advantage (based on arbitrage), within the meaning of section 149(d)(4) of the Code, apart from savings attributable to lower interest rates. The District has complied with the covenants,

representations, and warranties contained in the documents executed in connection with the issuance of the Refunded Obligations. Accordingly, the District expects to invest the Bond proceeds to be used to refund the Refunded Obligations without regard to Yield restrictions.

(l) Elections. The District hereby directs and authorizes any Authorized Official, individually or jointly, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Bonds, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document.

Section 10.04. Continuing Obligation. Notwithstanding any other provision of this Order, the District's obligations under the covenants and provisions of this Article X shall survive the defeasance and discharge of the Bonds.

## ARTICLE XI DEFAULT AND REMEDIES

Section 11.01. Events of Default. Each of the following occurrences or events for the purpose of this Order, specifically to exclude events described in Section 4.02(e) and 4.04, respectively, is hereby declared to be an Event of Default:

- (i) the failure to make payment of the principal of, redemption premium, if any, or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement, or obligation of the District, which default materially and adversely affects the rights of the Owners, including but not limited to their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of sixty (60) days after notice of such default is given by any Owner to the District.

Section 11.02. Remedies for Default. (a) Upon the happening of any Event of Default, then any Owner or an Authorized Official thereof, including but not limited to a trustee or trustees therefor, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under this Order by mandamus or other suit, action, or special proceeding in equity or at law in any court of competent jurisdiction for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) All such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 11.03. Remedies Not Exclusive. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

## ARTICLE XII DISCHARGE

Section 12.01. General Provisions. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Section 12.02. Discharge by Payment. When all Bonds have been paid in full as to principal, interest, and redemption premium, if any, or when all Bonds have become due and payable, whether at maturity or by prior redemption or otherwise, and the District shall have provided for the payment of the whole amount due or to become due on all of such Bonds then Outstanding, including all interest that has accrued thereon or that may accrue to the date of maturity or prior redemption, and any premium due or that may become due at maturity or prior redemption, by depositing with the Paying Agent/Registrar, for payment of the principal of such Outstanding Bonds and the interest accrued thereon and any redemption premium due thereon, the entire amount due or to become due thereon, and the District shall also have paid or caused to be paid all sums payable under this Order by the District, including the compensation due or to become due the Paying Agent/Registrar, then the Paying Agent/Registrar, upon receipt of a letter of instructions from the District requesting the same, shall discharge and release the lien of this Order and execute and deliver to the District such releases or other instruments as shall be requisite to release the lien hereof.

Section 12.03. Discharge by Deposit. Bonds or any principal amount(s) thereof shall be deemed to have been paid within the meaning and with the effect expressed above in this Article when (i) money sufficient to pay in full such Bonds or the principal amount thereof at Stated Maturity or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amount thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/ Registrar have been made) the redemption date thereof for the Bonds. In the event of a defeasance of the Bonds, the District shall deliver a certificate from its financial advisor, the Paying Agent/Registrar, an independent firm of certified public accountants, or another qualified third party concerning the sufficiency of the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. As and to the extent applicable, if at all, the District covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as

“arbitrage bonds” within the meaning of section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amounts thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity or applicable redemption date of the Bonds such money was deposited and is held in trust to pay shall, upon the request of the District, be remitted to the District against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the District expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

### ARTICLE XIII CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

*EMMA* means the MSRB’s Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

*Financial Obligation* means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Rule* means SEC Rule 15c2-12, as amended from time to time.

*SEC* means the United States Securities and Exchange Commission.

*Undertaking* means the District's continuing disclosure undertaking, described in Paragraphs 13.02 through 13.06 below, hereunder accepted and entered into by the District for the purpose of compliance with the Rule.

Section 13.02. Annual Reports.

The District shall file annually with the MSRB, (1) within six months after the end of each fiscal year ending in or after 2024 financial information and operating data with respect to the District of the general type included in the final Offering Memorandum authorized by Section 8.01 of this Order, being the information described in Exhibit E hereto, and (2) if not provided as part of such financial information and operating data, audited financial statements of the District, when and if available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit E hereto, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the District commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the District shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 44, as amended, Texas Education Code, the District must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified or permitted public accountant and must file each audit report with the Texas Education Agency within 150 days after the close of the District's fiscal year. Copies of each audit report must also be filed in the office of the District and with the Secretary, Board of Trustees. The District's fiscal records and audit reports are available for public inspection during the regular business hours of the Superintendent of Schools. Additionally, upon the filing of these financial statements and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

If the District changes its fiscal year, it will file notice of such change (and of the date of the new fiscal year end) with the MSRB prior to the next date by which the District otherwise would be required to provide financial information and operating data pursuant to this Section.

Section 13.03. Notice of Certain Events.

The District shall file notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in

possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District, and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

The District shall notify the MSRB, in a timely manner, of any failure by the District to provide financial information or operating data in accordance with this Section by the time required by this Section.

#### Section 13.04. Limitations, Disclaimers, and Amendments.

The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an Obligated Person with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

UNDER NO CIRCUMSTANCES SHALL THE DISTRICT BE LIABLE TO THE HOLDER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE DISTRICT, WHETHER NEGLIGENT OR WITH OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR *MANDAMUS* OR SPECIFIC PERFORMANCE.

No default by the District in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The District may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the District also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the District so amends the provisions of this Section, the District shall include with any amended financial information or operating data next provided in accordance with this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

#### Section 13.05. Information Format – Incorporation by Reference.

The District information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

#### Section 13.06. General Policies and Procedures Concerning Compliance with Federal Securities Laws.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the District hereby adopts, as a supplement (and not as a substitution or in replacement of) to the District’s existing

policies and procedures pertaining to compliance with the Rule, the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit J, with which the District shall follow to assure compliance with the Undertaking. The District has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the District's financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the District and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

#### ARTICLE XIV AMENDMENTS AND SUPPLEMENTS TO ORDER

Section 14.01. Without Consent of Owners. Without notice to or the consent of any Owner, the District may, at any time, amend this Order to cure any ambiguity or cure, correct or supplement any defective or inconsistent provision contained in this Order or make any other change that does not, in the opinion of bond counsel for the District, in any respect, materially and adversely affect the interests of the Owners. Without limiting the foregoing, the District may amend or supplement this Order without notice to or the consent of any Owner:

(a) to modify this Order or the Bonds to permit qualification under the Trust Indenture Act of 1939, as amended, or any similar federal statute at the time in effect, or to permit the qualification of the Bonds for sale under the securities laws of any state of the United States;

(b) to authorize different authorized denominations of the Bonds and to make correlative amendments and modifications to this Order regarding exchangeability of Bonds of different authorized denominations, redemptions of portions of Bonds of particular authorized denominations and similar amendments and modifications of a technical nature;

(c) to increase or decrease the number of days specified for the giving of notices in Article III and to make corresponding changes to the period for notice of redemption of the Bonds provided that no decreases in any such number of days shall become effective except while the Bonds bear interest at a Term Rate and until 30 days after the Paying Agent/Registrar has given notice to the Owners of the Bonds;

(d) to provide for an uncertificated system of registering the Bonds or to provide for the change to or from a Book-Entry-Only System for the Bonds;

(e) to make any change to this Order when (i) all Bonds have been tendered to the Remarketing Agent pursuant to the terms of this Order, but have not been remarketed following such tender; provided, however, that the Remarketing Agent has received notice of such amendment or supplement; or

(f) effective upon any Conversion Date to a new Term Rate Period or Fixed Rate Period to make any amendment affecting only the Bonds being converted.

Section 14.02. With Consent of Owners. If an amendment of or supplement to this Order or the Bonds without any consent of Owners is not permitted by the preceding Section, the District may enter into such amendment or supplement without prior notice to any Owners but with the consent of Owners of at least a majority in principal amount of the Bonds then Outstanding. However, nothing herein contained shall permit or be construed to permit the amendment, without the consent of each Owner affected thereby, of or supplement to the terms and conditions in this Order, so as to:

- (a) change the sinking fund requirements, if any, Interest Payment Dates, rights to tender or the maturity or maturities of the Outstanding Bonds;
- (b) reduce the rate of interest borne by any of the Outstanding Bonds;
- (c) reduce the amount of the principal or purchase price of or premium, if any, payable on the Outstanding Bonds;
- (d) modify the terms of payment of principal or purchase price of, premium, if any, or interest on the Outstanding Bonds, or impose any conditions with respect to such payments;
- (e) affect the rights of the Owners of fewer than all of the Outstanding Bonds; or
- (f) decrease the minimum percentage of the principal amount of Outstanding Bonds necessary for consent to any such amendment.

In addition, if money or investments have been deposited or set aside with the Paying Agent/Registrar pursuant to Article XII for the payment of Bonds and those Bonds shall not have in fact been actually paid in full, no amendment to the provisions of that Article shall be made without the consent of the Owner of each of those Bonds affected.

Section 14.03. Effect of Consents. Any consent received pursuant to Section 14.02 will bind each Owner delivering such consent and each subsequent Owner of a Bond or portion of a Bond evidencing the same debt as the consenting Owner's Bond.

Section 14.04. Notation on or Exchange of Bonds. If an amendment or supplement changes the terms of a Bond, the Paying Agent/Registrar may require the Owner to deliver it to the Paying Agent/Registrar. The Paying Agent/Registrar may place an appropriate notation on the Bond about the changed terms and return it to the Owner. Alternatively, if the Paying Agent/Registrar and the District determine, the District in exchange for the Bond will issue and the Paying Agent/Registrar will authenticate a new Bond that reflects the changed terms.

Section 14.05. Notice to Owners. Upon receipt of notice of an amendment or change to the Order, the Paying Agent/Registrar shall cause notice of the execution of each supplement or amendment to this Order to be mailed to the Owners. The notice will, at the option of the Paying Agent/Registrar, either (i) briefly state the nature of the amendment or supplement and that copies

of it are on file with the Paying Agent/Registrar for inspection by Owners or (ii) enclose a copy of such amendment or supplement.

ARTICLE XV  
PERMANENT SCHOOL FUND GUARANTY

Section 15.01. General. In accordance with the provisions of Subchapter C of Chapter 45 of the Texas Education Code, as amended, and 19 Texas Administrative Code Section 33.6, the District has made application to, and received approval from, the Commissioner of Education of the State of Texas (the *Commissioner*) for the Bonds to be guaranteed as to the payment of principal and interest thereon by the “Permanent School Fund”, created, established, and maintained pursuant to Article VII, Section 5 of the Constitution of the State of Texas, subject to compliance with the Texas Education Agency’s rules and regulations. This constitutional provision also provides for the creation and funding of the “Available School Fund”.

Section 15.02. Permanent School Fund Covenants. By virtue of the approval of the Bonds being eligible for such guarantee, the District hereby covenants, agrees, and acknowledges that:

(a) Immediately following a determination by the District of its inability to pay any principal payment or interest installment on the Bonds, and in no event later than five (5) days prior to a Stated Maturity or Interest Payment Date, the Superintendent of Schools of the District shall notify the Commissioner, in the name of the District, of (1) the District’s inability to pay all or any portion of the principal amount or interest installment of one or more Bonds, (2) the total dollar amount of funds required by the District to pay in full the principal of and interest on the Bonds which the District is unable to pay, (3) the name and address of the Paying Agent/Registrar for the Bonds, (4) the date when funds for the payment of the Bonds or interest thereon shall be required to be furnished to the District and deposited with the Paying Agent/Registrar, and (5) such other information as the Commissioner shall require;

(b) Any notices to be given to the Holders hereunder shall additionally be given to the Commissioner, when and as mailed to the Holders;

(c) If the District fails to pay the principal of and interest on any bond and the payment thereof is provided with funds from the Permanent School Fund in accordance with the guarantee, the provisions of Section 45.059(b) of the Texas Education Code, as amended, shall prevail, to the extent of conflict, over the provisions of Section 2.11 hereof and such amount or amounts paid with funds from the Permanent School Fund or the Available School Fund, plus interest on such amount or amounts, shall be deducted from the first funds (being foundation school fund payments first, then available school fund payments) the District would otherwise be lawfully entitled to receive from the State of Texas, until full reimbursement of such amount or amounts has been made to the Permanent School Fund;

(d) If two or more payments from the Permanent School Fund are made pursuant to the guarantee and the Commissioner determines that the District is acting in bad faith under the guarantee, the Attorney General of the State of Texas may institute appropriate legal action to

compel the District and its officers, agents, and employees to comply with the duties required by law in regard to the Bonds; and

(e) If the District fails to pay principal or interest on a guaranteed Bond when it matures, other amounts not yet mature shall not be accelerated and shall not become due by virtue of the District's default.

Section 15.03. Effect of Defeasance of Guaranteed Bonds. If the principal of, premium, if any, and interest on the Bonds are paid prior to Stated Maturity or if the Bonds are defeased as provided in Section 12.03 hereof, the guarantee as to payment of principal of and interest on the Bonds by the corpus and income of the Permanent School Fund shall immediately be terminated and be removed in its entirety. Notice of any such prepayment, redemption, or defeasance shall be forwarded to the Commissioner within ten (10) calendar days of such action.

## ARTICLE XVI MISCELLANEOUS

Section 16.01. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Order to be given to or filed with the District, the Tender Agent, the Remarketing Agent or the Paying Agent/Registrar shall be deemed to have been given only upon receipt in written or electronic form. Any notice shall be sent by first-class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

### DISTRICT:

North East Independent School District  
8961 Tesoro Drive  
San Antonio, Texas 78217  
Attention: Chief Financial Officer or Executive  
Director of Finance and Accounting

### PAYING AGENT/REGISTRAR-TENDER AGENT:

[BOKF, NA  
1401 McKinney, Suite 1000  
Houston, Texas 77010  
Attention: Ms. Rachel Roy]

### REMARKETING AGENT:

As specified in the Remarketing Agreement

Section 16.02. Notice to Rating Agencies. At any time during which the Bonds are rated by Moody's, S&P, or Fitch, the Paying Agent/Registrar shall notify Moody's, S&P, and Fitch promptly of (i) any change in the Paying Agent/Registrar, Tender Agent, or Remarketing Agent, (ii) the expiration, termination, extension or any other material change to this Order or the Remarketing Agreement, and (iii) the redemption, defeasance or payment of all of the Bonds or conversion of the Bonds to a Fixed Rate. Any such notice shall be sent by first-class mail, postage prepaid, to: Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Group—Texas Local Ratings; and Fitch Ratings, One State Street Plaza, New York, New York, 10004, Attention: Municipal Structured Finance.

Section 16.03. Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

Section 16.04. Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the District, the Paying Agent/Registrar, Bond Counsel, Financial Advisors, the Underwriters, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the District, the Paying Agent/Registrar, Bond Counsel, Financial Advisors, the Underwriters, and the Holders.

Section 16.05. Inconsistent Provisions. All orders, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters herein provided.

Section 16.06. Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

Section 16.07. Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 16.08. Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other persons or circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

Section 16.09. Public Meeting. It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

Section 16.10. Incorporation of Preamble Recitals. The recitals contained in the preamble to this Order are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 16.11. Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the District or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

Section 16.12. No Recourse Against District Officials. No recourse shall be had for the payment of principal of, premium, if any, and interest on any Bond or for any claim based thereon or on this Order against any official of the District or any person executing any Bond.

Section 16.13. Further Procedures. The officers and employees of the District are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, Purchase Contract, the Agreement, the Remarketing Agreement, the Tender Agent Agreement, and the Offering Memorandum. In addition, prior to the initial delivery of the Bonds, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order and as described in the Offering Memorandum, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Bonds by the Texas Attorney General's office. In case any officer of the District whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 16.14. Issuer's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Issuer hereby consents to and authorizes any Authorized Official, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

Section 16.15. Delegation Authorization Pursuant to HB 1295. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the Board,

pursuant to Chapter 1207 and Chapter 1371 and any other applicable law, hereby delegates to the Superintendent of Schools, the Chief Financial Officer, or the Executive Director of Finance and Accounting the authority to independently select the counterparty to any agreement with paying agent/registrars, tender agent, any rating agency, securities depository, or any other contract that is determined by the Superintendent of Schools, the Chief Financial Officer, or the Executive Director of Finance and Accounting, the District's Financial Advisor, or the District's Bond Counsel to be necessary or incidental to the issuance of the Bonds as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Bond Contracts*) and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the District. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

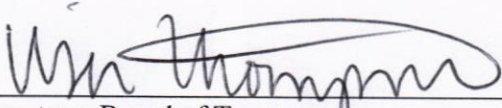
Section 16.16. Effective Date. This Order shall be in full force and effect from and upon its adoption.

FINALLY PASSED, APPROVED AND EFFECTIVE the 20th day of May, 2024.



\_\_\_\_\_  
President, Board of Trustees  
North East Independent School District

ATTEST:



\_\_\_\_\_  
Secretary, Board of Trustees  
North East Independent School District

(DISTRICT SEAL)

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Signature page to the Order

## INDEX OF EXHIBITS

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**SCHEDULE I**  
**Approval Certificate**

**See Tab No. \_\_**

**Schedule II**  
**Refunded Obligations**

North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2019 (the *2019 Refunded Bonds*), dated February 15, 2019 in the original principal amount of \$49,000,000 and scheduled to mature on August 1, 2049, in the aggregate principal amount of \$49,000,000. These obligations have been called for redemption on August 1, 2024.

North East Independent School District Variable Rate Unlimited Tax Refunding Bonds, Series 2023 (the *2023 Refunded Bonds* and together with the 2019 Bonds, the *Refunded Obligations*), dated June 15, 2023 in the original principal amount of \$72,055,000 and scheduled to mature on August 1, 2052, in the aggregate principal amount of \$72,055,000. These obligations have been called for redemption on August 1, 2024.

**EXHIBIT A**

**I.**

**FORM OF SERIES 2024 BOND**

REGISTERED  
NO. \_\_\_\_\_

REGISTERED AMOUNT  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF BEXAR  
NORTH EAST INDEPENDENT SCHOOL DISTRICT  
VARIABLE RATE UNLIMITED TAX REFUNDING BOND  
SERIES 2024

Dated Date:  
June 1, 2024

Interest Rate:  
Variable  
(Term Rate of  
\_\_\_\_%)

Maturity Date:  
August 1, 20\_\_

CUSIP No.

REGISTERED OWNER: \_\_\_\_\_

PRINCIPAL AMOUNT: \_\_\_\_\_

The North East Independent School District (hereinafter referred to as the *District*), a body corporate and political subdivision in the County of Bexar, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the Registered Owner named above, or the registered assigns thereof, on the Stated Maturity date specified above the Principal Amount hereinabove stated (or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the later of the Closing Date (anticipated to occur on or about June 27, 2024) shown above or the most recent Interest Payment Date to which interest has been paid or provided for. The date of this Bond is June 1, 2024, but interest shall accrue from the Closing Date.

Capitalized terms used herein and not otherwise defined shall have the meanings assigned thereto in the Order pursuant to which the Bonds are issued.

Interest on this Bond is payable to the registered owner hereof by check, dated as of the Interest Payment Date, and sent by first-class mail, postage prepaid, by the Paying Agent/Registrar to each Owner at the address shown on the Register or by such other customary banking arrangement acceptable to the Paying Agent/Registrar requested by, and at the risk and expense of the Owner. The principal hereof is payable upon presentation and surrender of this Bond at the designated office of [BOKF, NA, Houston, Texas], as Paying Agent/Registrar, or any successor Paying Agent/Registrar.

For the purpose of the payment of interest on this Bond, the registered owner shall be the person in whose name this Bond is registered on the *Record Date*, which shall be the close of business on the fifteenth day of the month immediately preceding such Interest Payment Date.

As used herein, *Interest Payment Date* shall mean (i) with respect to Bonds during the Initial Rate Period, February 1, 2025 and each February 1 and August 1 thereafter; (ii) with respect to Bonds bearing interest at the Term Rate, the first day of the sixth calendar month following the month in which the Term Rate Conversion Date occurs and the first day of each sixth month thereafter; (iii) with respect to Bonds bearing interest at the Fixed Rate, each February 1 and August 1, beginning on the first such date occurring after the Fixed Rate Conversion Date and (iv) each mandatory tender date during the Stepped Rate Period.

Any payments required to be made hereunder on any day which is not a Business Day (as defined below) shall be made instead on the next succeeding Business Day and no interest shall accrue on such payments in the interim. A *Business Day* shall mean any day (i) other than a Saturday or Sunday or other day on which banks located in New York, New York or San Antonio, Texas are authorized or required by law to remain closed and (ii) on which the New York Stock Exchange is not closed.

This Bond is one of a series of fully registered bonds specified in the title hereof issued in the aggregate principal amount of \$ \_\_, \_\_, \_\_ (herein referred to as the *Bonds*), issued pursuant to an order adopted by the Board of Trustees of the District on May 20, 2024 (the *Order*) for the purpose of providing funds for (i) the purpose of providing funds for the discharge and final payment of the Refunded Obligations, and (ii) paying the costs and expenses of issuance of the Bonds.

The Bonds are payable from the proceeds of an ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the District.

This Bond shall not be valid or obligatory for any purpose unless it is registered by the Comptroller of Public Accounts of Texas by certificate affixed or attached hereto or authenticated by the Paying Agent/Registrar by due execution of the Authentication Certificate provided herein.

**Even though initially issued and from time to time Outstanding in a Variable Rate (defined herein) mode, the Bonds are not benefited by a third-party liquidity and are not subject to optional tender by the Holders thereof.**

## INTEREST PROVISIONS

This Bond bears interest at an Initial Rate or a Term Rate (each a *Variable Rate*) or a Fixed Rate.

This Bond initially shall bear interest at the Initial Rate per annum from the Closing Date stated above through July 31, 20\_\_ (the *Initial Rate Period*). The Bonds shall be subject to mandatory tender, without right of retention by the owners thereof, on August 1, 20\_\_ and shall be tendered to the Remarketing Agent against payment therefor. Thereafter, this Bond shall bear

interest at a Term Rate until converted to a Fixed Rate Period during which it shall bear interest at a Fixed Rate.

Subsequent to the Initial Rate Period, the rate of interest applicable to any Bond shall be determined in accordance with the applicable provisions of the Order and, with respect to Term Rate Periods or Fixed Rate Periods, pursuant to the terms of the Remarketing Agreement between the District and the Remarketing Agent named by the District from time to time under the Order (the *Remarketing Agent*).

Interest on Bonds shall be computed on the basis of a 360-day year of twelve 30-day months.

In addition to the Initial Rate, Bonds will bear interest from time to time, at Term Rates or Fixed Rates established in accordance with the Order. While the Bonds bear interest at a Term Rate, the interest rate determined will remain in effect for a term of one year or any whole multiple of one year selected in accordance with the Order. At the option of the District, the Bonds bearing interest at a Variable Rate may be converted in whole or in part to bear interest at a Fixed Rate or Fixed Rates to the Maturity Date.

An interest rate mode will remain in effect until changed. During each Term Rate Period, and unless otherwise established by the District, the rate of interest on the Bonds shall be that rate which, in the determination of the Remarketing Agent, if borne by the Bonds on the date of such determination under prevailing market conditions, would result in the market value of the Bonds being equal to not less than 100% of the principal amount thereof. If the Remarketing Agent is unable, or fails, to determine the Term Rate, the Term Rate shall remain that in effect for the then current Term Rate Period. The provisions of this Bond, including, but not limited to this paragraph, are limited in all respects to those provisions of this Order which limit the interest rate on the Bonds to the lesser of (a) 7.00% per annum or (b) the maximum net effective interest rate permitted by law to be paid thereon as provided by Texas Government Code, Section 1204.006, as amended, or the maximum net effective interest rate permitted by applicable law at the time of issuance of the Bonds.

Bonds will be issued in denominations of \$5,000 and integral multiples thereof.

#### **WRITTEN NOTICE OF RATE MODE CHANGE**

While the Bonds bear interest at a Variable Rate, the Paying Agent/Registrar shall give notice to the registered owners of the conversion from one interest rate mode to another at the times described in the Order. ANY REGISTERED OWNER OF BONDS WHO MAY BE UNABLE TO TAKE TIMELY ACTION ON ANY NOTICE SHOULD CONSIDER WHETHER TO MAKE ARRANGEMENTS FOR ANOTHER PERSON TO ACT IN HIS OR HER STEAD. If a new interest rate mode for the Bonds is not selected in a timely fashion in accordance with the Order, the interest rate mode then in effect will continue until changed by timely notice.

#### **MANDATORY TENDER**

While this Bond bears interest at a Variable Rate, this Bond is subject to mandatory tender for purchase by the Tender Agent at a Purchase Price equal to the principal amount hereof plus accrued interest hereon to the date of purchase, on the effective date of a change from one interest rate mode to a different interest rate mode.

ANY NOTICE OF ELECTION TO RETAIN BONDS GIVEN AS PROVIDED HEREIN AND IN THE ORDER SHALL BE IRREVOCABLE AND BINDING UPON THE OWNER DELIVERING SUCH NOTICE AND ALL SUBSEQUENT OWNERS OF THE BONDS TO BE RETAINED, INCLUDING BONDS ISSUED IN EXCHANGE THEREFOR OR UPON TRANSFER THEREOF.

The Bonds are subject to mandatory tender for purchase, without the right of Owners to retain Bonds, on the date specified in a notice to Owners, (i) on August 1, 20\_\_, which is the Interest Payment Date after the end of the Initial Rate Period ending on July 31, 20\_\_ and (ii) on each subsequent Conversion Date.

### **FAILED REMARKETING**

Initial Rate Period. In the event that this Bond bears interest at an Initial Rate and it is not converted and remarketed to new purchasers on the scheduled date of mandatory tender, the District shall have no obligation to purchase this Bond tendered on such date, the failed conversion and remarketing shall not constitute an Event of Default under the Order or this Bond, the mandatory tender will be deemed to have been rescinded for that date with respect to this Bond, and this Bond (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of this Bond, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District's discretion upon delivery of at least one day's notice to the holder hereof), and (v) will be deemed to continue in an Initial Rate Period for all other purposes of the Order, though bearing interest during such time at the Stepped Rate, until remarketed or redeemed in accordance with the terms of the Order. In the event of a failed conversion and remarketing as described above, the District will cause this Bond to be converted and remarketed on the earliest reasonably practical date on which it can be sold at par, in such interest rate mode or modes as the District directs, at a rate not exceeding the Highest Rate.

Term Rate Periods. If this Bond is subject to mandatory tender on the Term Rate Conversion Date because of conversion to a new Term Rate Period from an existing Term Rate Period, and this Bond is not converted and remarketed to new purchasers on the scheduled date of mandatory tender because of a failed remarketing, then the District shall have no obligation to purchase this Bond tendered on such date, the failed conversion and remarketing shall not constitute an Event of Default under the Order or this Bond, the mandatory tender will be deemed to have been rescinded for that date with respect to this Bond, and this Bond (i) will continue to be Outstanding, (ii) will be purchased upon the availability of funds to be received from the subsequent remarketing of this Bond, (iii) will bear interest at the Stepped Rate during the Stepped Rate Period, (iv) will be subject to redemption and mandatory tender for purchase on any date during the Stepped Rate Period upon which a conversion occurs (which shall occur at the District's

discretion upon delivery of at least one day's notice to the holders thereof), and (v) will be deemed to continue in a Term Rate Period for all other purposes of this Order, though bearing interest during such time at the Stepped Rate, calculated on the basis of twelve 30 days months and the number of days actually elapsed, until remarketed or redeemed in accordance with the terms of this Order. In the event of a failed conversion and remarketing as described above, the District will cause this Bond to be converted and remarketed on the earliest reasonably practical date on which it can be sold at par, in such interest rate mode or modes as the District directs, at a rate not exceeding the Highest Rate.

### **UNDELIVERED BONDS**

Bonds which are required to be tendered by the Owners thereof for purchase by the Tender Agent but which are not in fact delivered for purchase on the date and at the time required and for which there has been deposited an amount sufficient to pay the Purchase Price thereof, shall cease to accrue interest on the tender date, and the Owner thereof shall not be entitled to any payment other than the Purchase Price for such Bond. Such Bond shall no longer be outstanding and entitled to the benefits of the Order, except for the payment of the Purchase Price from money held by the Tender Agent for such payment. On the tender date, the Tender Agent shall authenticate and deliver substitute Bonds in lieu of such Undelivered Bonds.

### **REDEMPTION PROVISIONS**

Optional Redemption. Prior to the Fixed Rate Conversion Date, Bonds bearing interest at the Initial Rate during the Initial Rate Period and at a Term Rate during a Term Rate Period are subject to redemption, if at all, at the times, at the prices, and in the manner determined by the District at the time of initial delivery or on a Term Rate Conversion Date (and as evidenced in an Approval Certificate); provided, however, that the Bonds are callable, at the option of the District, in whole or in part, at a redemption price equal to the principal amount thereof plus interest accrued thereon to the redemption date, on any Conversion Date. While the Bonds bear interest at the Initial Rate during the Initial Rate Period, the Bonds are not subject to redemption at the option of the District.

Bonds bearing interest at a Stepped Rate are subject to redemption, in whole or in part, at the option of the District, on any date at a redemption prices equal to the principal amount thereof plus interest accrued thereon at the Stepped Rate to the redemption date.

Bonds bearing interest at a Fixed Rate or Fixed Rates are subject to redemption on the dates and at the prices determined by the District on the Fixed Rate Conversion Date.

Mandatory Redemption. The Bonds are subject to mandatory redemption, at a price equal to the principal amount thereof plus interest accrued thereon, on August 1 of each year in the following minimum principal amounts:

Year  
8/1

Amount (\$)

\*Stated Maturity

The principal amount of Bonds required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds which, at least 50 days prior to the mandatory redemption date (1) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with money in the Bond Fund, or (3) shall have been redeemed pursuant to

the optional redemption provisions set forth above and not theretofor credited against a mandatory redemption requirement.

Notwithstanding the provisions of Section 2.13 of the Order, in addition, each fiscal year each series of the Bonds are Outstanding and accruing interest, the District shall, at the District's discretion and with respect to Bonds other than Bonds bearing interest at Fixed Rates, budget for such fiscal year and levy taxes for the payment of interest on the Bonds based on an interest rate on the Bonds equal to the actual rate borne thereby or up to 5.00% per annum (unless the Bonds at such time bear interest in excess of 5.00%, in which case the actual rate of interest shall be used. At the end of the fiscal year in which the District levies a tax based on the interest rate on the Bonds as heretofore described, the District shall determine whether the interest paid on the Bonds in such fiscal year is less than such interest rate used to levy a tax. If in such circumstance the amount of interest paid on the Bonds is less than the interest rate used to levy a tax, the District shall cause the difference between the amount budgeted and the amount paid on the Bonds (*Excess Interest Funds*) to be allocated and appropriated for the payment of the mandatory redemption of Bonds (other than Bonds bearing interest at Fixed Rates) on the first August 1 next following the end of such fiscal year; provided the amount of such Excess Interest Funds is equal to or greater than \$100,000. In each fiscal year when the amount of Excess Interest Funds is equal to or greater than \$100,000, the District shall cause Bonds in a principal amount equivalent to the Excess Interest Funds to be redeemed on the August 1 next following the end of such fiscal year at the redemption price of par plus accrued interest to the date of redemption. The mandatory redemption of Bonds in accordance with the provisions of this paragraph shall be in addition to the amount of Bonds to be mandatorily redeemed as set forth in the schedule above in the years shown.

On or before June 15 of each year preceding each mandatory redemption date the Bonds are to be mandatorily redeemed, the District will notify the Paying Agent/Registrar in writing of the principal amount of Bonds to be mandatorily redeemed with Excess Interest Funds on the following August 1, and instruct the Paying Agent/Registrar to select by lot or other customary random selection method the Bonds or portions thereof to be redeemed.

The principal amount of Bonds subject to scheduled mandatory redemption shall be reduced, in inverse chronological order of redemption dates, by the amount of Bonds previously redeemed pursuant to additional mandatory redemption (from Excess Interest Funds), which mandatory redemptions have occurred pursuant to Section 5.03 of the Order.

Bonds to be redeemed in any year by mandatory redemption shall be redeemed at par, plus accrued interest to the date of redemption, and shall be selected by lot (provided that redemption of Bonds on a Conversion Date where there exists no Holder optional right to retain shall be effective solely at the option of the District). The District, at its option, may credit against any mandatory redemption requirement, Bonds which have been purchased by the District, using funds other than remarketing proceeds, if any, at a price not exceeding the principal amount of such Bonds plus accrued interest to the date of purchase and canceled by or on behalf of the District, or have been redeemed and not theretofore applied as a credit against any mandatory redemption requirement.

Notice of optional and scheduled mandatory redemption shall be given by first-class mail, postage prepaid, (i) with respect to Bonds bearing interest at a Stepped Rate, at least 1 day prior to the redemption date and (ii) with respect to Bonds bearing interest at a Term Rate or Fixed Rate, at least 30 days before the date fixed for redemption, to the Owner of each Bond to be redeemed in whole or in part. Notice having been so given, the Bonds or portions thereof designated for redemption shall become due and payable on the redemption date specified in such notice; from and after such date, notwithstanding that any of the Bonds or portions thereof so called for redemption shall not have been surrendered for payment, interest on such Bonds or portions thereof shall cease to accrue.

Notwithstanding the foregoing (and provided the Holders of Bonds subject to tender have not been granted an optional right to retain), a notice of mandatory tender delivered in accordance with the Order shall serve as notice of redemption of Bonds, if any such redemption is to occur at the option of the District, on the Interest Payment Date occurring immediately after the conclusion of such applicable Interest Period.

### **GENERAL PROVISIONS**

As provided in the Order, and subject to certain limitations therein set forth, this Bond is transferable upon surrender of this Bond for transfer at the designated office of the Paying Agent/Registrar with such endorsement or other evidence of transfer as is acceptable to the Paying Agent/Registrar; thereupon, one or more new fully registered Bonds of the same stated maturity and interest rate mode, of authorized denominations, bearing the same rate of interest, and for the same aggregate principal amount will be issued to the designated transferee or transferees.

### **DELIVERY OF NOTICES AND BONDS**

Any Bonds required to be delivered to the Tender Agent for purchase, and any notices required to be delivered to the Tender Agent hereunder shall be delivered to: [BOKF, NA, Houston, Texas].

Bonds required to be tendered for purchase shall be delivered to the Tender Agent prior to 5:00 p.m. on the Business Day next preceding the date of purchase.

The District will identify the Remarketing Agent for the Bonds in the order authorizing the conversion upon apportion of the Initial Rate Period.

IT IS HEREBY CERTIFIED AND RECITED that the issuance of this Bond and the series of which it is a part is duly authorized by law and has been authorized by a vote of the properly qualified electors of the District; that all acts, conditions, and things required to be done precedent to and in the issuance of the Bonds have been properly done and performed and have happened in regular and due time, form, and manner, as required by law; that sufficient and proper provision for the levy and collection of taxes has been made, without limit as to rate or amount, which when collected shall be appropriated exclusively to the timely payment of the principal of, and interest on the Bonds; and that the total indebtedness of the District, including the Bonds, does not exceed any constitutional or statutory limitation.

*[The remainder of this page intentionally left blank.]*

IN WITNESS WHEREOF; the District has caused this Bond to be executed by the manual or facsimile signature of the President of the Board of Trustees of the District and countersigned by the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed or placed in facsimile on this Bond.

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President, Board of Trustees  
North East Independent School District

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Secretary, Board of Trustees  
North East Independent School District

[SEAL]

*[The remainder of this page intentionally left blank]*

**III.**

Form of Comptroller's Registration to Appear on Initial Bond only

OFFICE OF THE COMPTROLLER OF	§	
PUBLIC ACCOUNTS	§	
	§	REGISTER NO. _____
THE STATE OF TEXAS	§	

I hereby certify that there is on file and of record in my office an opinion of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of the North East Independent School District, and that this Bond has this day been registered by me.

WITNESS my signature and seal of office at Austin, Texas.

---

Comptroller of Public Accounts  
of the State of Texas

(SEAL)

**IV.**

Form of Authentication Registration Certificate to Appear on Definitive Bonds only

CERTIFICATE OF PAYING AGENT/REGISTRAR

This is to certify that this is one of the Bonds referred to in the within-mentioned Order.

Registered this date:

[BOKF, NA, HOUSTON, TEXAS], as Paying  
Agent/Registrar

\_\_\_\_\_

By: \_\_\_\_\_  
Authorized Signature

**IV.**

**ASSIGNMENT**

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (Print or typewrite name, address, and zip code of transferee): \_\_\_\_\_

(Social Security or other identifying number): \_\_\_\_\_  
the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer the within Bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular and must be guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers.

Signature guaranteed:

\_\_\_\_\_

**V.**

**PERMANENT SCHOOL FUND OR INSURANCE LEGEND**

If bond insurance is obtained by the Underwriters or if the Bonds are guaranteed by the Permanent School Fund of the State of Texas, the definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

**EXHIBIT B**

**Paying Agent/Registrar Agreement**

**See Tab No. \_\_**

**EXHIBIT C**  
**Remarketing Agreement**

**EXHIBIT D**

**Tender Agent Agreement**

**See Tab No. \_\_**

## **EXHIBIT E**

### **Description of Annual Financial Information**

The following information is referred to in Section 13.02 of this Order.

#### **Annual Financial Statements and Operating Data**

The financial information and operating data with respect to the District to be provided annually in accordance with such Section are as specified (and included in the Appendix referred to) below:

1. The District's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the District appended to the Offering Memorandum as Appendix B, but for the most recently concluded fiscal year.
2. Tables 1 through 6 and 8 through 13 of the Offering Memorandum and in Appendix B.

#### **Accounting Principles**

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

**EXHIBIT F**  
**Purchase Contract**  
**See Tab No. \_\_**

**EXHIBIT G**

**DTC Letter of Representations**

**See Tab No. \_\_**

**EXHIBIT H**

**Notices of Redemption**

**See Tab No. \_\_**

**EXHIBIT I**  
**Escrow Agreement**

**See Tab No. \_\_**

## EXHIBIT J

### General Policies and Procedures Concerning Compliance with the Rule\*

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Sections 1.01 and 13.01 of the Order. “Bonds” refers to the Bonds that are the subject of the Order to which this Exhibit is attached.

II. As a capital markets participant, the District is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the *Effective Date*), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the District’s compliance with the Rule.

III. The District is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Article 13 of the Order, which provisions are a part of the Undertaking.

IV. The District is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the District is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The District now establishes the following general policies and procedures (the *Policies and Procedures*) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the District’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the District’s obligations under the Rule, the advice from and discussions with the District’s internal senior staff (including staff charged with administering the District’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the *Compliance Team*):

(a) The Superintendent of Schools, the Chief Financial Officer, or the Executive Director of Finance and Accounting (the *Compliance Officer*) shall be responsible for satisfying the District’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;

(b) the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the District’s information of the type described in Article 13 of the Order;

(c) the Compliance Officer shall promptly determine the occurrence of any of the events described in Article 13 of the Order;

(d) the Compliance Officer shall work with external consultants of the District, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the District and notice of the occurrence of any of the events referenced in Clauses (a) and (b) above, respectively, the foregoing being required to satisfy the terms of the Undertaking;

(e) the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the Issuer, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;

(f) upon identification of any Financial Obligation meeting the materiality standard identified in Clause (e) above, the Compliance Officer shall establish a process for identifying and monitoring any District agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;

(g) the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the District; and

VI. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the District’s internal staff identified by the Compliance Officer to assist with the District’s satisfaction of the terms and provisions of the Undertaking.

\*The Policies and Procedures supplement (and are not a substitution or replacement of) the District’s existing policies and procedures pertaining to the District’s compliance with the Rule which have been previously adopted by the Board of Trustees of the District.



## NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Dr. Sean Maika

Subject: Approval of Lease Agreement for  
Use of District Property

Related Page(s): Attachments

### **ACTION ITEM**

#### **BACKGROUND INFORMATION**

North East ISD was approached by Morgan's Wonderland to utilize approximately 2 acres of land at the athletic complex that includes Heroes Stadium to erect a specially designed fitness center for individuals with a disabilities.

#### **ADMINISTRATIVE CONSIDERATION**

North East ISD has structured the land usage as a lease agreement. An Annual rental payment of \$1.00 will be assessed each year for 25 years. Morgan's Wonderland has agreed to allow employees of NEISD to use the fitness center, construct restrooms for use during athletic events and to allow shelter during inclement weather at no cost to the District. Additionally, Morgan's Wonderland has agreed to relocate the shotput/discus event area in addition to installing a pipe fence to outline the cross-country track at the NEISD Sports Park at Morgan's Wonderland expense.

#### **ADMINISTRATIVE RECOMMENDATION**

It is recommended the Board of Trustees approve this lease agreement with Morgan's Wonderland.

#### **BOARD ACTION REQUIRED**

Approval/Disapproval

## Lease Agreement

This Lease Agreement ("Agreement") is by and between the North East Independent School District ("NEISD" or "the District"), a political subdivision of and public school district in the State of Texas and Morgan's Wonderland ("MW"), a Texas non-profit corporation.

**WHEREAS**, NEISD currently owns a 2.98-acre tract of land, which is Lot 1, Block 11, NCB 14945 LONGHORN QUARRY, in the City of San Antonio, Bexar County, TX, according to plat thereof recorded in Volume 9596, Pages 72-79, Deed and Plat Records of Bexar County, Texas (the "Field Events Property"), and which is part of its Athletic Complex that includes Heroes Stadium;

**WHEREAS**, MW desires to lease 0.9971 acres of the Field Events Property, as described on Exhibit "A" ("Leased Premises") for the purpose of developing, constructing, operating and maintaining a fitness center for use by individuals with special needs and the general public, to be known as "Morgan's Fitness Center";

**WHEREAS**, NEISD desires to enter into a long-term lease through this Agreement to allow MW to proceed with the "Morgan's Fitness Center" project in exchange for the good and valuable consideration more fully described below;

**NOW, THEREFORE**, NEISD and MW (sometimes collectively referred to as the "**Parties**" and sometimes individually referred to as "**Party**") hereby agree to the following:

**1. Land Use/Purpose of Lease Agreement.** NEISD leases the Leased Premises to MW and agrees to allow MW to develop, design, construct, and maintain a fitness center primarily used by individuals with special needs on the Leased Premises and the general public, to be known as "Morgan's Fitness Center". NEISD also agrees to allow MW to utilize up to one hundred (100) parking spaces for invitees and users of the Leased Premises on the parking lot located on the Athletic Complex adjacent to the Leased Premises.

In connection with this Paragraph, NEISD agrees to allow MW, its board members, officers, employees, agents and invitees ("MW Authorized Parties") to enter onto the Athletic Complex for the purpose of developing, using, designing, constructing and maintaining the Leased Premises. MW and MW Authorized Parties shall communicate with appropriate NEISD personnel to ensure that such access does not conflict with normal NEISD use of the Athletic Complex. Upon completion of "Morgan's Fitness Center," NEISD agrees to allow MW access reasonably necessary to hold events at and use "Morgan's Fitness Center."

**2. Consideration.** In exchange for NEISD agreeing to the terms set forth in Paragraph 1, and for the other terms set forth elsewhere in this Agreement, MW agrees to the following.

(a). Annual rental payment, due to NEISD within twenty (20) days of the execution of this Agreement, and then on or before January 1 of each subsequent year, of One Dollar (\$1.00).

(b). Allow NEISD, its students, parents, employees, and constituents ("NEISD's Affiliates"), in coordination with MW, to use the Leased Premises for appropriate events or other uses consistent with the purposes of "Morgan's Fitness Center." Such use shall not conflict with MW events, but otherwise MW shall allow NEISD reasonable use of the Leased Premises, on the same basis as other members of the club.

(c). As part of the "Morgan's Fitness Center" project, MW will construct a single use restroom facility with two toilets and a sink that will be accessible from the perimeter wall of the building to allow NEISD and NEISD's Affiliates access for track and field and/or other NEISD events occurring at the Field Events Property.

(d). Allow NEISD, its students, parents, employees, and constituents ("NEISD's Affiliates"), to shelter in the Leased Premises in the event of inclement weather during events associated with its track and field program. MW will provide access to a key or key card to NEISD for access purposes to the building in the event of inclement weather during track and field and/or other NEISD events.

(e). MW agrees to install, at its expense and in consultation with the NEISD Construction Management Department, the improvements described and depicted on Exhibit "B" for the portion of the Field Events Property that NEISD utilizes for its track and field program.

(f). MW agrees to install, at its expense and in consultation with the NEISD Construction Management Department, the improvements described and depicted on Exhibit "C" for its track and field program.

**3. Further Maintenance.** MW will develop, design, construct, and maintain the Leased Premises at its expense. MW will remain responsible for maintaining the Leased Premises to include utility costs for any irrigation of the landscaping, as well as restroom facilities. Upon completion of the improvements described and depicted in Exhibits "B" and "C" as set out in Paragraphs 2(e) and 2(f) above, NEISD will assume all further costs of maintenance and utilities associated with the improvements.

**4. Term.** The initial term of this agreement shall commence on the Effective Date and terminate on the date that is twenty-five (25) years from the Effective Date, with subsequent renewal terms of ten (10) years. Renewals will automatically occur unless one Party notifies the other in writing within twelve (12) months prior to the expiration of any term of its desire not to renew this Agreement.

**5. Scheduling.** MW and NEISD will cooperate on the scheduling of events at "Morgan's Fitness Center" and the Athletic Complex, including Heroes Stadium. Such cooperation shall be for the purpose of ensuring that each Party's respective events can occur on these facilities without interfering with the other Party's events. It is understood by the Parties, however, that in the event of a conflict that cannot be resolved, NEISD's use of its Athletic Complex, including Heroes Stadium, for a District-sponsored event takes precedence over any other purpose, and that the parking lot at the Athletic Complex will be utilized for the District-sponsored event.

**6. Clean-Up.** MW shall be responsible for clean-up of trash and debris left by MW Authorized Parties after events, such that the facility remains clean and up to the standards of NEISD. MW may utilize its own personnel to provide clean-up services, or it may contract for such services with NEISD.

**7. Risk.** Each of the Party's respective employees, agents and invitees will use the Leased Premises and the Athletic Complex, to include the parking lot, at his or her sole risk and expense, and neither Party will attempt to hold the other Party liable for any loss, theft, vandalism, or damage to an individual employee, agent or invitee's personal property that occurs while using the facilities named herein. With respect to the use of the facilities, each Party will be liable for any damage caused to the other Party's facility by its respective employees, agents or invitees who use the other Party's facility through the relationship established in this Agreement. Such liability shall be for the reasonable repair cost necessary to restore the facility to its normal condition or in the event the damage cannot be adequately repaired, then such liability shall be for the replacement cost necessary to restore the facility to its condition prior to the event giving rise to the liability. The replacement or repair obligation shall not extend to normal wear associated from the normal and regular use of the facility.

**8. Alcohol and Tobacco Prohibited.** MW understands and accepts that MW Authorized Parties will not be allowed to possess, sell, give away or consume any alcoholic beverages or tobacco products of any kind, to include electronic cigarettes and vaping equipment, while on the Field Events Property or Leased Premises. Any person violating this prohibition may be ejected from the Athletic Complex and subject to further legal action. MW agrees to collaborate on appropriate signage regarding this prohibition at the Leased Premise.

**9. MW Indemnity.** To the extent permitted by law, MW agrees to indemnify and hold NEISD, its trustees, employees and agents, harmless from and against any and all claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to personal or bodily injury, death and property damage, made against NEISD, its trustees, employees and agents, that arise out of, result from, or are related to any events or use by MW Authorized Parties of the Leased Premises or the Athletic Complex, including any acts or omissions by any MW Authorized Parties. Nothing in this provision should be construed as a waiver of any legal defense afforded MW from such claims under applicable law.

**10. NEISD Indemnity.** To the extent permitted by law, NEISD agrees to indemnify and hold MW, and the MW Authorized Parties, harmless from and against any and all claims, liens, damages, losses, expenses, fees, fines, penalties, proceedings, actions, demands, causes of action, liability and suits of any kind and nature, including but not limited to personal or bodily injury, death and property damage, made against MW and the MW Authorized Parties, that arise out of, result from, or are related to any events or use by NEISD of the Leased Premises or the Athletic Complex, including any acts or omissions by NEISD trustees, employees or agents. Nothing in this provision should be construed as a waiver of any immunity or other legal defense afforded NEISD from such claims under applicable law.

**11. Comparative Negligence.** In the event that NEISD and MW are found jointly liable by a court of competent jurisdiction, any resultant liability shall be apportioned comparatively in accordance with the laws for the State of Texas, again, however, without waiving any immunity or other legal defense available to them under Texas and/or Federal law.

**12. Assignment.** Neither MW nor NEISD shall assign or transfer any interest in this Agreement to any other person or entity, without the written consent of the other Party. Any transfer or assignment not in compliance with this Section shall be grounds for termination by the other Party and shall not confer any rights upon any third person or entity. In the event NEISD terminates this Agreement under this Paragraph, it shall assume responsibility for the maintenance and operation of "Morgan's Fitness Center."

**13. Attorney's Fees.** Any Party who is the prevailing Party in any legal proceeding against any other Party brought under or in connection with this Agreement or the subject matter hereof, shall be additionally entitled to recover court costs and reasonable attorney fees, and all other litigation expenses, including deposition costs, travel and expert witness fees from the non-prevailing Party. Such fees and costs shall be determined by a court of law whenever possible.

**14. Entire Agreement.** This Agreement constitutes the entire agreement between MW and NEISD and supersedes any prior understanding or oral or written agreement between the Parties with respect to the subject matter of this Agreement.

**15. Waiver.** The waiver by either MW or NEISD of a breach or violation of any provision of this Agreement shall not operate as or be construed to be a waiver of any subsequent breach hereof or of any other right herein. MW and NEISD agree that if any portion of this Agreement is deemed to be illegal, invalid, or unenforceable, such illegal, invalid or unenforceable provision shall not affect the legality, validity or enforceability of the remainder of this Agreement.

**16. Insurance.** MW and NEISD will maintain their own commercial liability and property insurance and any other insurance it deems necessary to provide adequate protection of its property and all equipment to be located thereon. The Parties will provide each other with copies of any applicable insurance policies, including any statement of self-insurance, upon seven (7) business days' written request by the other Party.

**17. Taxes.** MW and NEISD each will remain responsible for their own tax liabilities arising from this Agreement, if any.

**18. Cure.** Notwithstanding anything herein to the contrary, no default by either Party hereto shall result in a termination or limitation of any rights of such Party hereunder unless and until the other Party shall have provided written notice of such default to the defaulting Party, and the defaulting Party shall have failed to cure said default within ten (10) days after the receipt of said written notice.

**19. Governing Law.** The Parties agree that the interpretation and construction of this Agreement shall be governed by the laws of the State of Texas.

**20. Amendment.** This Agreement may be canceled, changed, modified, or amended in whole or in part only by the written agreement of MW and NEISD, or their successors and assigns.

**21. Counterparts.** This Agreement may be executed in any number of counterparts and each such counterpart hereof shall be deemed to be an original instrument, but all of such counterparts shall constitute but one agreement. Neither Party shall record or allow employees, representatives and any other persons or entities acting on their behalf to record this Agreement in the Official Public Records, Bexar County, Texas.

**22. Notices.** Any notice to be given or to be served upon any Party hereto in connection with this Agreement will be in writing, and will be given by (a) facsimile transmission and shall be deemed to have been given and received on the date sent with confirmation of transmission if sent during the normal business hours of the recipient on a business day and if sent at other times than such transmission shall be deemed received on the next succeeding business day, (b) certified or registered mail and shall be deemed to have been given and received four (4) business days following the date a certified or registered letter containing such notice, properly addressed, with postage prepaid, is deposited in the United States mails; or (c) if given otherwise such as overnight courier, it shall be deemed to have been given when delivered to and received by the Party to whom it is addressed. Such notices shall be given to the Parties hereto at the following address:

NEISD: North East Independent School District  
8961 Tesoro Drive, 6<sup>th</sup> Floor,  
San Antonio, Texas 78217  
Attn: Associate Superintendent for  
Operations

MW: Morgans Wonderland  
5210 Thousand Oaks, Suite 1318  
San Antonio, Texas 78233  
Attn: Gordon V. Hartman

A Party may change the foregoing address by notice given pursuant to this Section. All notices shall be sent by prepaid certified mail, return receipt requested to the foregoing addresses.

**23. Relationship of Parties.** Nothing contained herein shall be construed to make the Parties hereto formal partners or joint venturers or render any of such Parties liable for the debts or obligations of the other Party hereto.

[signature page to follow]

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement effective the 31 day of May, 2024 (the "Effective Date").

NEISD:

North East Independent School District

By: 

Name: Sam Maska

Title: Superintendent

Date: 5/22/24

MW:

Morgan's Wonderland, a Texas non-profit corporation

By: 

Name: GORDON U. HARTMAN

Title: Chairman of Board

Date: 5/21/24

**EXHIBIT A**  
**DESCRIPTION OF LEASED PREMISES**

Being a **0.9971-acre** tract of land, out of Lot 1, Block 11, New City Block (NCB) 14945 of the Longhorn Quarry, a replat of record in Volume 9596 Pages 72-79 of the Deed and Plat records of Bexar County, Texas (D.P.R.B.C.T.), and conveyed to North East Independent School District recorded in Volume 13152, Page 140 of the Official Public Records of Real Property of Bexar County, Texas (O.P.R.B.C.T.), and **0.9971-acre** tract being more particularly described by metes and bounds as follows:

Commencing at a found  $\frac{1}{2}$ " iron rod stamped "Pape Dawson", at the intersection of the South right-of-way line of Clinker Heights (60-foot wide R.O.W.), also known as Dave Edwards Dr., of said Longhorn Quarry with the West right-of-way line of Thousand Oaks, (variable width R.O.W.) recorded in Volume 6715, Pages 1226-1241 (O.P.R.B.C.T.) and the Northeast corner of said Lot 1;

THENCE: With the South and East right-of-way lines of said Dave Edwards Dr. and the North and West lines of said Lot 1, the following three courses:

1. S  $76^{\circ}50'41"$  W, a distance of 113.05 feet to a calculated point, for a point of curvature to the left of said Lot 1,
2. With said curve, having a radius of 170.00 feet, a delta of  $76^{\circ}50'33"$ , South  $38^{\circ}25'24"$  West, 211.29 feet, an arc length of 228.00 feet to a calculated point, for a point of tangency of said Lot 1, and
3. South  $00^{\circ}00'08"$  West, a distance of 166.06 feet to a set  $\frac{1}{2}$ " iron rod with a blue cap stamped "COLLIERS PROP CORNER" (S.I.R.) in the East Right-of-Way line of said Dave Edwards Dr., of said Longhorn Quarry, for the Northwest corner and the **POINT OF BEGINNING** of the herein described tract;

THENCE: Into and across Said Lot 1, North  $89^{\circ}59'56"$  East a distance of **283.17 feet** to a S.I.R. on the West Right-of-Way line of said Thousand Oaks Dr., for a point on a non-tangent curve to the left and the Northeast corner of the herein described tract;

THENCE: With said curve, having a radius of **1643.00 feet**, a delta of  $03^{\circ}12'35"$ , a chord bearing and distance of South  $03^{\circ}13'15"$  East, **92.03 feet**, an arc length of **92.04 feet** to a S.I.R. on the West R.O.W. line of said Thousand Oaks Dr., and the East line of the herein described tract, to a point of reverse curvature of a curve to the right;

THENCE: With said curve, having a radius of **25.00 feet**, a delta of  $87^{\circ}49'26"$ , a chord bearing and distance of South  $39^{\circ}05'11"$  West, **34.68 feet**, an arc length of **38.32 feet** to a S.I.R. on the North R.O.W. line of Quarry Park (Variable width R.O.W.) of said Longhorn Quarry, and the South line of the herein described tract to a point of reverse curvature of a curve to the left;

**THENCE:** With said curve, having a radius of **435.00 feet**, a delta of **15°51'05"**, a chord bearing and distance of **South 75°04'21" West, 119.96 feet**, an arc length of **120.35 feet** to a S.I.R. at a point of tangency on the North R.O.W. line of said Quarry Park and the South line of the herein described tract;

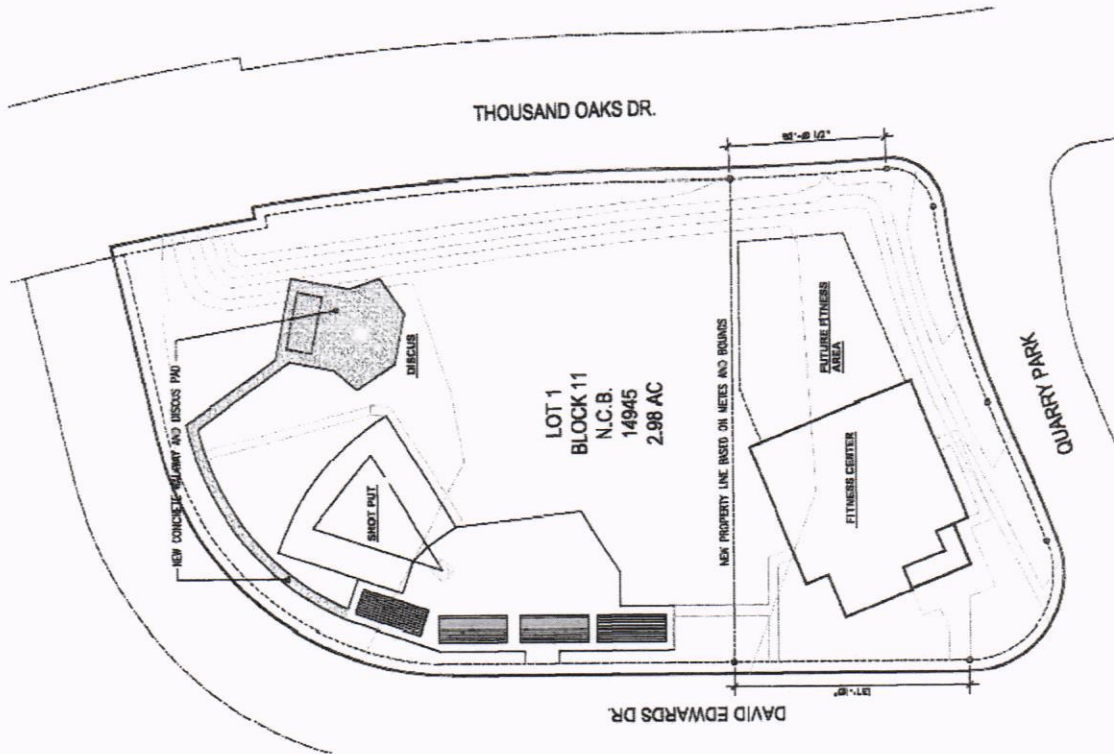
**THENCE:** Continuing with the common line of said Quarry Park and said Lot 1, **South 67°08'49" West** a distance of **88.06 feet** to a S.I.R. in said North R.O.W. line of said Quarry Park, and the South line of the herein described tract, to a point of curvature of a curve to the right;

**THENCE:** With said curve, having a radius of **50.00 feet**, a delta of **112°51'19"**, a chord bearing and distance of **North 56°25'32" West, 83.32 feet**, an arc length of **98.48 feet** to a S.I.R. at a point of tangency on the East R.O.W. line of said Dave Edwards Dr. and the West line of the herein described tract;

**THENCE:** With the common line of said Dave Edwards Dr. and the herein described tract, **North 00°00'08" East**, a distance of **137.83 feet**, to the **POINT OF BEGINNING**, containing **43,435 S. F. or 0.09971 acres of land**. Said tract being described in accordance with a survey prepared by CED. Basis of bearings are based on the Texas State Plane South Central Zone 4204, North American Datum of 1983 (NAD83).

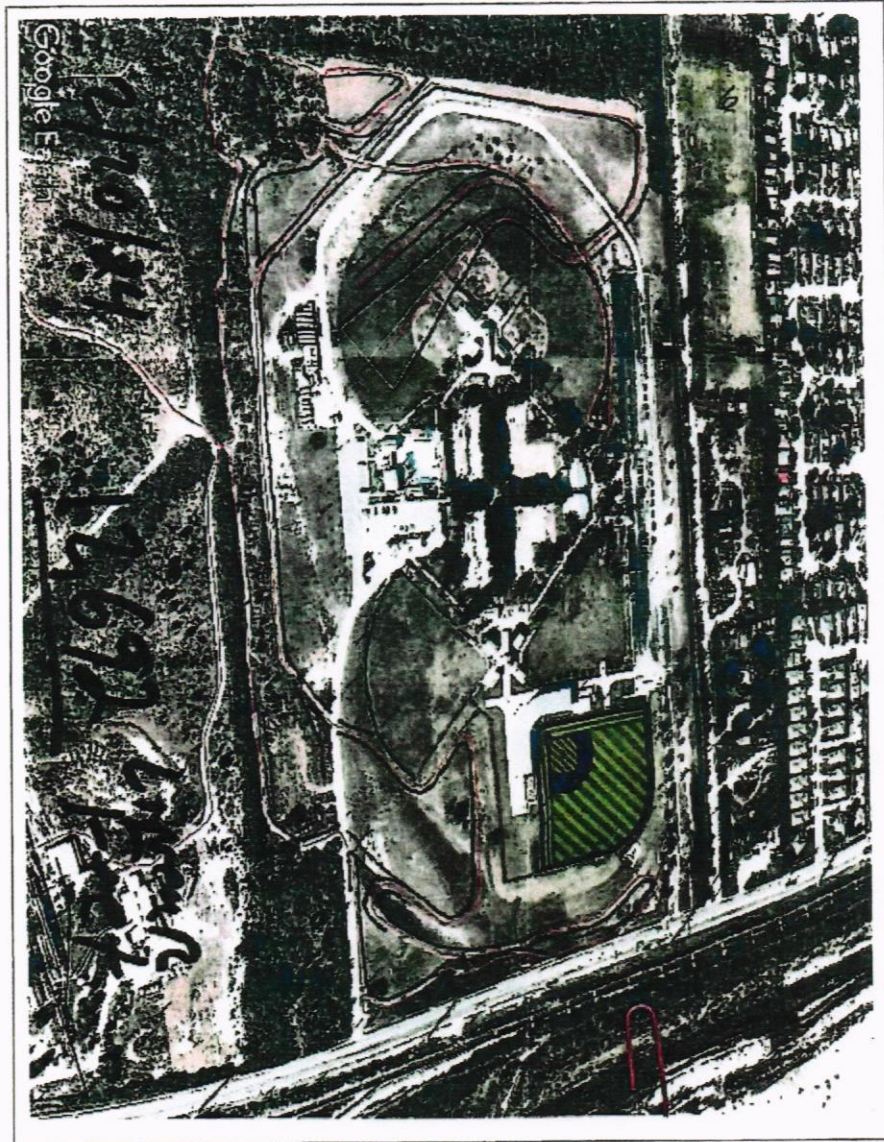
## EXHIBIT B IMPROVEMENTS TO FIELD EVENTS PROPERTY

1. Relocation of Discus and Shotput Throwing Areas as depicted below
2. Sidewalk as depicted below
3. Concrete Pad for Discus Area as depicted below



**EXHIBIT C**  
**IMPROVEMENTS TO NEISD ROPERTY**

12,692 linear feet of fence as depicted below (1 5/8 black vinyl post – 4' high with 1 3/8 top rail post set 10' on center in concrete)



**AMENDMENT**  
**TO**  
**LEASE AGREEMENT**

This Amendment to Lease Agreement (the "Amendment") is made effective the 31 day of May, 2024, by and between **North East Independent School District**, a political subdivision of and public school district in the State of Texas ("Lessor") and **Morgan's Wonderland**, a Texas non-profit corporation (formerly known as "Sports, Outdoor and Recreation (SOAR) Park, a Texas non-profit corporation") (the "Lessee").

**RECITALS**

Lessor and Lessee executed a Lease Agreement dated March 9, 2018, as amended (the "Lease"), in San Antonio Texas. The parties wish to modify the Lease to delete obligations of Lessee that are no longer necessary.

**AGREEMENTS**


**Now, Therefore**, for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged by Lessor and Lessee, Lessor and Lessee amend the Lease as follows:

1. Obligations of Lessee. Section 2(c). of the Lease is deleted.
3. Terms. Any capitalized terms used herein shall have the same meaning given them in the Lease unless specifically defined otherwise herein.
4. Ratification. In all other respects, the Lease shall continue in full force and effect, unmodified except to the extent provided herein, and Lessor and Lessee hereby RATIFY and AFFIRM the same. In the event of a conflict between the provisions of this Amendment and the provisions of the Lease, the provisions of this Amendment shall control.
5. Counterparts. This Amendment may be executed and delivered in one or more counterparts. Transmission of this Amendment by telecopy shall be deemed transmission of the original Amendment for all purposes.

**In Witness Whereof**, and intending to be legally bound, the parties hereto have executed this Amendment as of the day and year first above written.

**Lessor:**


**NORTH EAST INDEPENDENT SCHOOL DISTRICT**

By:   
Name: Sam Meika  
Title: Superintendent

**Lessee:**

**MORGAN'S WONDERLAND, a Texas non-profit corporation**

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By:   
Name: David Morgan  
Title: Chairman/President

**NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.**

**EASEMENT AGREEMENT  
(Water)**

**Effective Date:** May 31, 2024

**NEISD:** North East Independent School District

**NEISD Mailing Address:** 8961 Tesoro Drive, 6<sup>th</sup> Floor, San Antonio, Texas 78217

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**NEISD Tract:** That tract of land depicted in **Exhibit A** attached hereto and incorporated herein (commonly referred to as the Heroes Athletics Complex).

**NEST:** The Nest at Morgan's Wonderland, a Texas non-profit corporation

**NEST Mailing Address:** 5210 Thousand Oaks, Suite 1318, San Antonio, Bexar County, Texas 78233

**NEST Tract:** Lot 1, Block 8, New City Block 14945, LONGHORN QUARRY, in the City of San Antonio, Bexar County, TX, according to plat thereof recorded in Volume 9596, Pages 72-79, Deed and Plat Records of Bexar County, Texas

NEISD and NEST are herein sometimes referred to individually as a "Party" and collectively as the "Parties". All references to NEISD and NEST or a Party herein shall mean and include their respective successors and assigns. The NEISD Tract and NEST Tract are sometimes referred to herein individually as a "Tract" and collectively, as the "Tracts" or "Properties".

**Easement Property:** The easement area out of the NEISD Tract designated as the Water Easement, being depicted in **Exhibit B**, attached hereto and incorporated herein.

**Defined Terms:** For purposes of this Agreement and the Easement Purposes permitted herein, the following terms shall have the meaning ascribed below:

**Water Facilities** means water facilities and all appurtenances thereto to service the Nest Property. All Water lines shall be installed underground, except for required above-ground appurtenances.

**Permitted Improvements** means all improvements allowed herein to be constructed on, in, over or under the Easement Property for the Easement Purposes.

**Easement Purposes:** The Easement Property may be used only for the construction, installation, inspection, maintenance, repair, replacement and/or removal and dedication of the Water Facilities.

**Consideration:** Ten and No/100 Dollars (\$10.00) and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged.

**Reservations from and Exceptions to Conveyance and Warranty:**

1. All instruments presently recorded in the Official Public Records of Bexar County, Texas, that affect the Easement Property, or any portion thereof, and any matters that would be disclosed by an accurate survey of the Easement Property.

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2. NEISD has not made and does not hereby make any representations as to the physical condition, layout, footage, expenses, zoning, operation or any other matter affecting or related to the Easement Property. NEISD makes no other warranties, express or implied, of merchantability, fitness or suitability for a particular purpose or otherwise, with respect to the Easement Property, other than as expressly set forth herein. Any implied warranties are expressly disclaimed and excluded.

**Grant of Easement:** NEISD, for the Consideration and subject to the Reservations From and Exceptions to Conveyance and Warranty, grants and conveys to NEST an easement over, under, upon and across the Easement Property for the Easement Purposes and for the benefit of NEST, and its respective successors and assigns, and all or any portion of the NEST Tract, together with all and singular the rights and appurtenances thereto (collectively, the "Easement"), upon and subject to the Terms and Conditions set forth herein.

**Terms and Conditions:** The following Terms and Conditions apply to the Easement granted herein:

1. **Character of Easement.** The Easement is non-exclusive and are appurtenant to and run with title to the NEST Tract and portions thereof, whether or not the Easement is referenced or described in any conveyance thereof. The Easement for the benefit of NEST, and their respective successors and assigns, is subject to the rights reserved by NEISD and the other Terms and Conditions set forth herein.

2. **Duration of Easement.** The duration of the Easement is perpetual.

3. **Temporary Construction Easement.** In addition to the Easement described herein, NEST shall have the temporary right to use that portion of the surface of the NEISD Tract for the purposes of initial construction and installation of Permitted Improvements within the Easement Property in accordance with **Section 5** herein, and thereafter in conjunction with any inspection, repair, maintenance, removal, replacement, or other construction or installation activities on the Easement Property. This temporary construction easement shall automatically terminate upon completion of the initial construction and installation of the Permitted Improvements or such inspection, maintenance, repair, removal, replacement, or other construction or installation activities within the Easement Property. Promptly after each such event, NEST shall remove from the temporary easement area all surplus material and construction debris and will cause such area to be left orderly, clean, and as nearly as practical in the condition as it existed prior to such construction, except for reasonable clearing of vegetation and other requirements for such construction.

4. **Rights Reserved.** NEISD reserves for NEISD and NEISD's successors and assigns the right to continue to use and enjoy the Easement Property in conjunction with NEST for all purposes which do not unreasonably interfere with or interrupt the use or enjoyment of the Easement by NEST for the Easement Purposes.

5. **Improvements.**

(a) **Construction.** All Permitted Improvements constructed on the Easement Property shall comply at all times with all applicable federal, state and local laws, rules, regulations and safety standards for improvements within such Easement, including the requirements of applicable utility providers.

(b) **Inspection.** Each Party shall have the right, but not the obligation, at all times during the construction of any Permitted Improvements within the Easement Property to enter, or cause its agents to enter, upon any portion of the Easement Property and conduct inspections of such construction to determine if the Permitted Improvements are being constructed in accordance with this Agreement. NEST shall reasonably cooperate with NEISD and its agents in connection with such inspections and shall instruct its contractors and engineers to do likewise, provided that such inspections shall not materially interfere with, hinder or delay the construction of the Permitted Improvements.

(c) **Construction Liens.** No rights created herein shall permit or empower NEST to encumber the Easement Property with liens. No mechanic's, materialman's or construction liens shall be placed upon or against the NEISD Tract, and, in the event that any such lien shall so attach, NEST shall promptly take all action reasonably necessary to remove or bond around any such lien to the satisfaction of NEISD.

(d) Maintenance. Upon completion of construction of any Permitted Improvements, and unless and until the obligation for maintenance is assumed by applicable governmental authority or utility provider, the owner of the Easement Property on which such Permitted Improvements are located shall be responsible for the continued inspection, maintenance, repair, improvement and replacement of such Permitted Improvements on the Easement Property in accordance with all applicable laws, rules and regulations of governmental authority, and for all the costs of inspection, maintenance, repair, improvement and replacement of such Permitted Improvements, subject to the applicable provisions of any other written agreements then in existence between the Parties.

6. Ad Valorem Taxes and Assessments. Each owner of a Tract shall pay all ad valorem taxes, assessments or charges of any type levied or made by each applicable taxing authority on the Permitted Improvements and Easement Property within its Tract.

7. Equitable Rights of Enforcement. This Agreement and the Easement granted herein may be enforced by restraining orders and injunctions (temporary or permanent) prohibiting interference and commanding compliance herewith. Restraining orders and injunctions shall be obtainable upon proof of the existence of interference or threatened interference, and without the necessity of proof of inadequacy of legal remedies or irreparable harm, and shall be obtainable only by the Parties hereto, their respective successors and assigns; provided, however, nothing herein shall be deemed to be an election of remedies or a waiver of any rights or remedies available at law or in equity.

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8. Miscellaneous.

(a) Legal Proceeding Fees/Attorneys Fees. Any Party to this Agreement who is the prevailing Party in any legal proceeding against any other Party brought under or in connection with this Agreement or the subject matter hereof, shall be additionally entitled to recover court costs and reasonable attorney fees, and all other reasonable legal proceeding expenses including deposition costs, travel and expert witness fees from the non-prevailing Party. Such fees and costs shall be determined by a court of law whenever possible.

(b) Binding Effect. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective heirs, executors, representatives, successors and assigns where permitted by this Agreement. The covenants and restrictions set forth in this Agreement constitute covenants running with the land and shall be binding upon the Parties and all subsequent owners of the Properties, and portions thereof. This Agreement may be modified or terminated only by mutual agreement of the Parties set forth in a written agreement referencing this Agreement executed by the Parties and recorded in the Official Public Records of Bexar County, Texas.

(c) Choice of Law. This Agreement shall be subject to and governed by the laws of the State of Texas, excluding any conflicts-of-law rule or principle that might refer the construction or interpretation of this Agreement to the laws of another state. Each Party hereby submits to the jurisdiction of the state and federal courts in the State of Texas and to venue in Bexar County, Texas.

(d) Effect of Waiver or Consent. No waiver or consent, express or implied, by any Party to or of any breach or default by any Party in the performance by such Party of its obligations hereunder shall be deemed or construed to be a consent or waiver to or of any other breach or default in the performance by such Party of the same or any other obligations of such Party hereunder. Failure on the part of a Party to complain of any act of any Party or to declare any Party in default shall not constitute a waiver by such Party of its rights hereunder. Pursuit of any remedies set forth in this Agreement does not preclude pursuit of other remedies in this Agreement or provided by law or in equity.

(e) Further Assurances. In connection with this Agreement as well as all transactions contemplated by this Agreement, each Party hereto agrees to execute and deliver such additional documents and instruments and to perform such additional acts as may be reasonably necessary or appropriate to effectuate, carry out and perform all of the terms, provisions and conditions of this Agreement and all such transactions.

(f) Integration. This Agreement contains the complete agreement between the Parties and cannot be varied except by the written agreement of the Parties. The Parties agree that there are no oral agreements, understandings, representations or warranties which are not expressly set forth herein.

(g) Legal Construction. In case any one or more of the provisions contained in this Agreement shall for any reason be invalid, illegal or unenforceable in any respect, to the extent such invalidity or unenforceability does not destroy the basis of the bargain among the Parties, such invalidity, illegality or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. Whenever required by the context as used in this Agreement, the singular number shall include the plural and neuter shall include the masculine or feminine gender, and vice versa. Article and Section headings appearing in this Agreement are for convenient reference only and are not intended, to any extent or for any purpose, to restrict or define the text of any Article or Section. This Agreement shall not be construed more or less favorably between the Parties by reason of authorship or origin of language.

(h) Notices. Any notice or communication required or permitted hereunder shall be deemed to be delivered, whether actually received or not, when deposited in the United States mail, postage fully prepaid, registered or certified mail and addressed to the intended recipient at the address shown herein, and if such address is not known, then at the last

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known address according to the records of the Party delivering the notice. Notice may also be given by regular mail, personal delivery, courier delivery, facsimile, email, or other electronic transmission, or other commercially reasonable means and shall be effective if and when actually received by the addressee. Any address for notice may be changed by written notice delivered as provided herein.

(i) Recitals. Any recitals in this Agreement are represented by the Parties to be accurate, and constitute a part of the substantive agreement.

(j) Time. Time is of the essence. Unless otherwise specified, all references to “days” mean calendar days. Business days exclude Saturdays, Sundays, and legal public holidays. If the date for performance of any obligation falls on a Saturday, Sunday, or legal public holiday, the date for performance will be the next following regular business day.

(k) Counterparts. This Agreement may be executed in any number of counterparts with the same effect as if all signatory Parties had signed the same document. All counterparts shall be construed together and shall constitute one and the same instrument.

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(l) Assignment. Grantor acknowledges that Grantee may dedicate a water easement over the Easement Property or transfer the Easement to San Antonio Water System by plat or other dedication or transfer instrument. Grantor will join in the execution of the plat or dedication instrument solely for the purpose of platting the Easement Property and dedicating the Easement for the benefit of San Antonio Water System if requested by Grantee so long as Grantor has no monetary or other material obligations in connection therewith.

**[COUNTERPART SIGNATURE PAGES FOLLOW]**

**EXHIBITS:**


Exhibit A – NEISD Tract

Exhibit B –Depiction of Easement Property

COUNTERPART SIGNATURE PAGE TO  
EASEMENT AGREEMENT

NEISD:

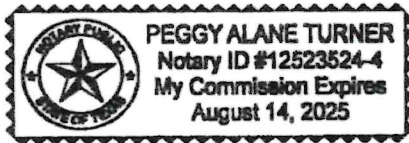
North East Independent School District

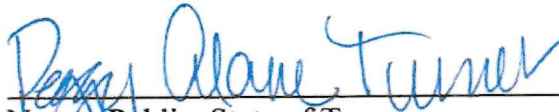
By:   
Name: Jean Mark  
Title: Superintendent

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

103

This instrument was acknowledged before me on this the 22nd day of May, 2024,  
by Peggy A. Turner, Notary of North East  
Independent School District, on behalf of such entity.

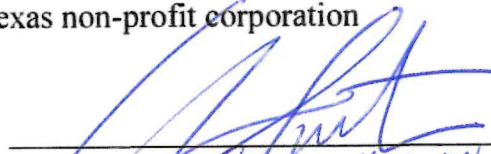


  
Notary Public, State of Texas

**COUNTERPART SIGNATURE PAGE TO  
EASEMENT AGREEMENT**

**NEST:**

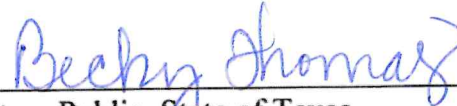
The Nest at Morgan's Wonderland,  
a Texas non-profit corporation

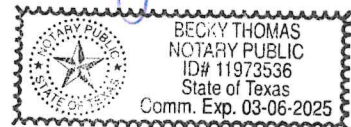
By:   
Name: Gordon Hartman  
Title: Chairman/President

STATE OF TEXAS           §  
  §  
COUNTY OF BEXAR       §

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This instrument was acknowledged before me on this the 31 day of May, 2024,  
by Gordon Hartman President of The Nest at Morgan's Wonderland,  
a Texas non-profit corporation, on behalf of such entity.

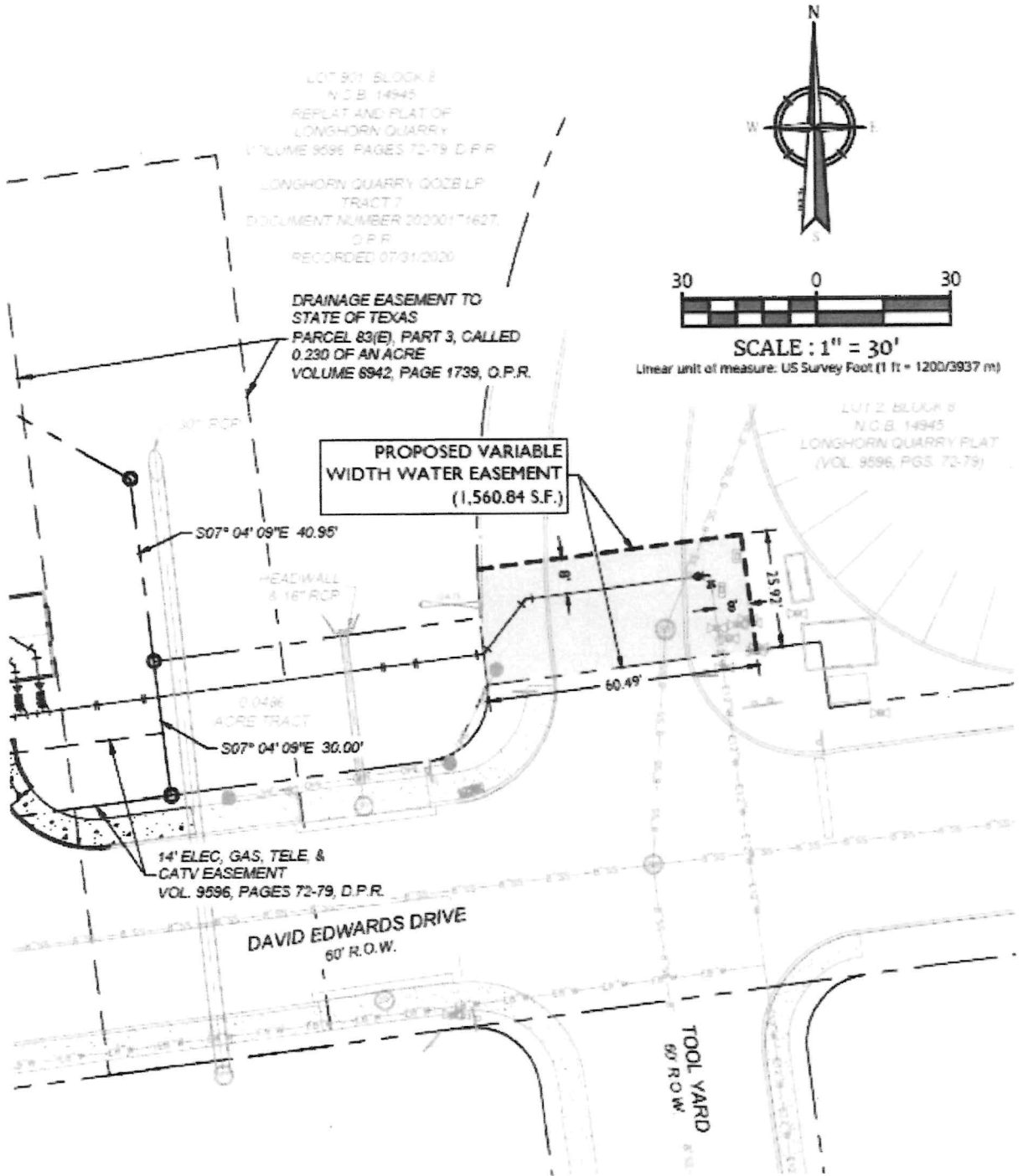
  
Notary Public, State of Texas



**EXHIBIT A**  
**NEISD TRACT**



**EXHIBIT B  
DEPICTION OF EASEMENT PROPERTY**





# NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Dan Villarreal  
Susan Lackorn, Executive Director  
Finance and Accounting  
Lydia Flores, Director  
Budget & Financial Analysis

Subject: Budget Amendment #2

Related Page(s): Attachment

## CONSENT ITEM

### **BACKGROUND INFORMATION**

The 2023-2024 fiscal year budget was adopted on June 19, 2023. Estimated revenue and appropriations are subject to change on a regular basis.

In the Debt Service Fund, Budget Amendment #2 increases estimated revenue in the amount of \$13,991,106 for the impact of property tax relief and the upcoming Variable Rate Debt Obligation remarketing transaction which was originally planned for fiscal year 2025. The amendment also includes an increase to appropriations in the amount of \$75,642,000 to reflect the upcoming Variable Rate Debt Obligation remarketing transaction.

In the School Nutrition Services Fund, Budget Amendment #2 increases appropriations for additional capital to replace serving lines at two high schools and additional maintenance expenditures.

No changes are being made to the General Fund.

### **ADMINISTRATIVE CONSIDERATION**

By law, amendments to the budgets for the General, Debt Service, and School Nutrition Services Funds must be approved by the Board of Trustees before new appropriations may be expended.

### **BUDGETARY CONSIDERATION**

For the Debt Services Fund, this budget amendment decreases budgeted fund balance by \$61,650,894. The resulting budgeted deficit and ending fund balance for June 30, 2024, are estimated to be \$44,675,527 and \$139,225,723, respectively.

For the School Nutrition Services Fund, this budget amendment decreases budgeted fund balance by \$2,997,000. The resulting budgeted deficit and ending fund balance for June 30, 2024, are estimated to be \$15,631,799 and \$9,081,981, respectively.

### **ADMINISTRATIVE RECOMMENDATION**

It is recommended that the Board of Trustees approve Budget Amendment #2.

### **BOARD ACTION REQUIRED**

Approval/Disapproval

**NORTH EAST INDEPENDENT SCHOOL DISTRICT**

***Budget Amendment Board Report***

***Budget Amendment #2***

***May 20, 2024***

**DEBT SERVICE FUND**

<b>I. INCREASE FUND BALANCE</b>	<b>Requested By:</b>	<b>Amount</b>
Increase Revenue:		
Adjust revenue for property tax relief and upcoming remarketing transaction	Lackorn	<u>13,991,106</u>
I. Total transactions increasing Fund Balance		<b>\$ <u>13,991,106</u></b>
<b>II. DECREASE FUND BALANCE</b>	<b>Requested By:</b>	<b>Amount</b>
Increase Appropriations:		
Adjust expenditures for upcoming remarketing transaction	Lackorn	<u>(75,642,000)</u>
II. Total transactions decreasing Fund Balance		<b>\$ <u>(75,642,000)</u></b>
<b>III. Net increase (decrease) to Debt Service Fund Balance for this Budget Amendment</b>		<b>\$ <u>(61,650,894)</u></b>

**SCHOOL NUTRITION SERVICES FUND**

<b>I. DECREASE FUND BALANCE</b>	<b>Requested By:</b>	<b>Amount</b>
Increase Appropriations:		
Increase appropriations for additional capital and maintenance expenditures	Glosson	<u>(2,997,000)</u>
I. Total transactions decreasing Fund Balance		<b>\$ <u>(2,997,000)</u></b>
<b>II. Net increase (decrease) to School Nutrition Services Fund Balance for this Budget Amendment</b>		<b>\$ <u>(2,997,000)</u></b>

**NORTH EAST INDEPENDENT SCHOOL DISTRICT**

*Budget Amendment Board Report*

*Budget Amendment #2*

*May 20, 2024*

*Debt Service Fund*

	<b>Budget As Adopted July 1, 2023</b>	<b>BUDGET As of Amendment #1</b>	<b>Administrative Adjustments</b>	<b>Budget Amendment #2 Changes</b>	<b>Budget As of Final Amendment</b>
<b>Estimated Revenues &amp; Other Sources</b>					
Local	\$ 170,741,582	\$ 170,741,582	\$ -	\$ (20,266,000)	\$ 150,475,582
State	3,460,243	3,460,243	-	9,772,106	13,232,349
Federal	1,856,120	1,856,120	-	(300,000)	1,556,120
Total Estimated Revenue	<u>\$ 176,057,945</u>	<u>\$ 176,057,945</u>	<u>\$ -</u>	<u>\$ (10,793,894)</u>	<u>\$ 165,264,051</u>
Other Sources	122,300,000	122,300,000	-	24,785,000	147,085,000
<b>Total Estimated Revenue &amp; Other Sources</b>	<b><u>\$ 298,357,945</u></b>	<b><u>\$ 298,357,945</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 13,991,106</u></b>	<b><u>\$ 312,349,051</u></b>
<b>Appropriations &amp; Other Uses</b>					
Function:					
71 Debt Service	\$ 161,382,578	\$ 161,382,578	\$ -	\$ 51,237,000	\$ 212,619,578
Total Appropriations	<u>\$ 161,382,578</u>	<u>\$ 161,382,578</u>	<u>\$ -</u>	<u>\$ 51,237,000</u>	<u>\$ 212,619,578</u>
Other Uses	120,000,000	120,000,000	-	24,405,000	144,405,000
<b>Total Appropriations &amp; Other Uses</b>	<b><u>\$ 281,382,578</u></b>	<b><u>\$ 281,382,578</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 75,642,000</u></b>	<b><u>\$ 357,024,578</u></b>
<b>Beginning Fund Balance as of July 1, 2023</b>	<b>\$ 183,901,250</b>	<b>\$ 183,901,250</b>			<b>\$ 183,901,250</b>
<b>Net Revenue/Sources Over (Appropriations)/(Uses)</b>	<b><u>16,975,367</u></b>	<b><u>16,975,367</u></b>	<b><u>-</u></b>	<b><u>(61,650,894)</u></b>	<b><u>(44,675,527)</u></b>
<b>Budgeted Ending Fund Balance as of June 30, 2024</b>	<b><u>\$ 200,876,617</u></b>	<b><u>\$ 200,876,617</u></b>			<b><u>\$ 139,225,723</u></b>

**NORTH EAST INDEPENDENT SCHOOL DISTRICT**

*Budget Amendment Board Report*

*Budget Amendment #2*

*May 20, 2024*

*School Nutrition Services Fund*

	<b>Budget As Adopted July 1, 2023</b>	<b>BUDGET As of Amendment #1</b>	<b>Administrative Adjustments</b>	<b>Budget Amendment #2 Changes</b>	<b>Budget As of Amendment #2</b>
<b>Estimated Revenues &amp; Other Sources</b>					
Local	\$ 9,221,996	\$ 9,221,996	\$ -	\$ -	\$ 9,221,996
State	1,145,907	1,145,907	-	-	1,145,907
Federal	24,235,138	24,235,138	-	-	24,235,138
Total Estimated Revenue	\$ 34,603,041	\$ 34,603,041	\$ -	\$ -	\$ 34,603,041
Other Sources	-	-	-	-	-
<b>Total Estimated Revenue &amp; Other Sources</b>	<b>\$ 34,603,041</b>	<b>34,603,041</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 34,603,041</b>
<b>Appropriations &amp; Other Uses</b>					
Function:					
35 Food Services	\$ 46,513,340	\$ 46,513,340	\$ -	\$ 2,672,000	\$ 49,185,340
51 Facility Maintenance And Operations	723,500	723,500	-	325,000	1,048,500
52 Security And Monitoring Services	1,000	1,000	-	-	1,000
Total Appropriations	\$ 47,237,840	\$ 47,237,840	\$ -	\$ 2,997,000	\$ 50,234,840
Other Uses	-	-	-	-	-
<b>Total Appropriations &amp; Other Uses</b>	<b>\$ 47,237,840</b>	<b>\$ 47,237,840</b>	<b>\$ -</b>	<b>\$ 2,997,000</b>	<b>\$ 50,234,840</b>
<b>Beginning Fund Balance as of July 1, 2023</b>	<b>\$ 24,713,780</b>	<b>\$ 24,713,780</b>			<b>\$ 24,713,780</b>
<b>Net Revenue/Sources Over (Appropriations)/(Uses)</b>	<b>(12,634,799)</b>	<b>-</b>	<b>-</b>	<b>(2,997,000)</b>	<b>(15,631,799)</b>
<b>Budgeted Ending Fund Balance as of June 30, 2020</b>	<b>\$ 12,078,981</b>	<b>\$ 24,713,780</b>			<b>\$ 9,081,981</b>



## NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: May 20, 2024

Presenter: Dan Villarreal  
Susan Lackorn, Executive Director  
Finance & Accounting

Subject: Budget Study Session #1

Related Page(s): None

### PRESENTATION

#### **BACKGROUND INFORMATION**

The Board of Trustees is required to formally adopt the annual budgets of the General, Debt Service, and School Nutrition Services funds. As part of the annual budget process, staff prepares information for the Board of Trustees' review and consideration through a series of budget study sessions. This is the first budget study session for the 2024-2025 budget.

#### **BOARD ACTION REQUIRED**

None