



SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT

Agenda Item Summary

Meeting Date: July 17, 2024

Agenda Section: Discussion and possible action

Agenda Item Title: Discussion and possible action regarding an Order Authorizing the Issuance and Sale of One or More Series of South San Antonio Independent School District Unlimited Tax Refunding Bonds; Levying a Tax and Providing for the Security and Payment Thereof; Providing for the Award of the Sale Thereof in Accordance with Specified Parameters; Authorizing the Execution and Delivery of Documents and Agreements in Connection Therewith; Approving the Preparation of One or More Official Statements; and Enacting Other Provisions Relating Thereto.

From: Tony Kingman, Chief Financial Officer

Additional Presenters if Applicable: Richard Acosta, District's Financial Advisor.

Description: See attached documentation.

Historical Data: With the assistance of the District's financial advisor, RBC Capital Markets, all bonds and debt of the District are monitored to determine when bonds are eligible for refinancing opportunities. Once eligible, the bond market and interest rates are monitored to determine when it is favorable to move forward. Favorable conditions occur when the interest rate lowers to a level that will offer the District a savings more than the reissuance cost and produces a net present value savings.

SSAISD's Unlimited Tax Refunding Bonds, Series 2014 are eligible for refinancing. Based on current market conditions, the District has an opportunity to pursue a refinancing and reduce overall interest costs by approximately \$778,950 over the remaining life of the bonds. The current principal for series 2014 as the end of fiscal year 2024 is \$22,840,000.

Recommendation: The district is recommending the board to approve as presented.

Purchasing Director and Approval Date: N/A

Funding Budget Code and Amount: N/A

Goals: 3. SSAISD will implement program initiatives and activities that reflect a commitment to preparing 100% of students for post-secondary educational or career paths.

ORDER

AUTHORIZING THE ISSUANCE OF

SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BONDS

Adopted: July 17, 2024

TABLE OF CONTENTS

Page

ARTICLE I

DEFINITIONS AND OTHER PRELIMINARY MATTERS

Section 1.01. Definitions.....	2
Section 1.02. Other Definitions	6
Section 1.03. Findings.....	6
Section 1.04. Table of Contents, Titles and Headings.....	6
Section 1.05. Interpretation.....	6

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy	7
Section 2.02. Application of Chapter 1208, Government Code	7

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS
REGARDING THE BONDS

Section 3.01. Authorization	8
Section 3.02. Date, Denomination, Maturities, and Interest.....	8
Section 3.03. Medium, Method and Place of Payment.....	9
Section 3.04. Execution and Registration of Bonds	10
Section 3.05. Ownership.....	10
Section 3.06. Registration, Transfer and Exchange.....	11
Section 3.07. Cancellation	12
Section 3.08. Temporary Bonds.....	12
Section 3.09. Replacement Bonds	12
Section 3.10. Book-Entry-Only System.....	13
Section 3.11. Successor Securities Depository Transfer Outside Book-Entry- Only System.....	14
Section 3.12. Payments to Cede & Co.....	14

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption	14
Section 4.02. Optional Redemption.....	14
Section 4.03. Mandatory Sinking Fund Redemption.....	15
Section 4.04. Partial Redemption.....	15
Section 4.05. Notice of Redemption to Owners	16

Section 4.06.	Payment Upon Redemption	16
Section 4.07.	Effect of Redemption	17
Section 4.08.	Lapse of Payment.....	17

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01.	Appointment of Initial Paying Agent/Registrar	17
Section 5.02.	Qualifications	17
Section 5.03.	Maintaining Paying Agent/Registrar	17
Section 5.04.	Termination.....	17
Section 5.05.	Notice of Change to Owners.....	18
Section 5.06.	Agreement to Perform Duties and Functions.....	18
Section 5.07.	Delivery of Records to Successor	18

ARTICLE VI

FORM OF THE BONDS

Section 6.01.	Forms Generally.....	18
Section 6.02.	CUSIP Registration.....	18
Section 6.03.	Legal Opinion	19

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01.	Sale of Bonds, Official Statement.....	19
Section 7.02.	Control and Delivery of Bonds	21
Section 7.03.	Deposit of Proceeds	21

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS;
INVESTMENTS

Section 8.01.	Creation of Interest and Sinking Fund	22
Section 8.02.	Interest and Sinking Fund	22
Section 8.03.	Security of Funds	22
Section 8.04.	Investments	22
Section 8.05.	Investment Income.....	22

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01.	Payment of the Bonds	22
Section 9.02.	Other Representations and Covenants	23

Section 9.03. Federal Income Tax Matters23

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default24
Section 10.02. Remedies for Default25
Section 10.03. Remedies Not Exclusive25

ARTICLE XI

DISCHARGE

Section 11.01. Discharge25

ARTICLE XII

PURCHASE OF FEDERAL SECURITIES; APPROVAL OF ESCROW AGREEMENT;
PAYMENT OF REFUNDED BONDS

Section 12.01. Purchase of Federal Securities25
Section 12.02. Approval of Escrow Agreement26
Section 12.03. Payment of Refunded Bonds; Redemption of Refunded Bonds.....26

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms26
Section 13.02. Annual Reports26
Section 13.03. Event Notices27
Section 13.04. Limitations, Disclaimers and Amendments28
Section 13.05. Filings with MSRB30
Section 13.06. Amendments to the Rule.....30

ARTICLE XIV

PERMANENT SCHOOL FUND GUARANTEE

Section 14.01. Permanent School Fund Guarantee.....30

ARTICLE XV

AMENDMENTS TO ORDER AND PRICING CERTIFICATE

Section 15.01. Amendments to Order and Pricing Certificate.....30

ARTICLE XVI

MISCELLANEOUS

Section 16.01. Partial Invalidity.....31
Section 16.02. No Personal Liability31

SCHEDULE I - Refunded Bond Candidates

AN ORDER AUTHORIZING THE ISSUANCE AND SALE OF ONE OR MORE SERIES OF SOUTH SAN ANTONIO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS; LEVYING A TAX AND PROVIDING FOR THE SECURITY AND PAYMENT THEREOF; PROVIDING FOR THE AWARD OF THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE EXECUTION AND DELIVERY OF DOCUMENTS AND AGREEMENTS IN CONNECTION THEREWITH; APPROVING THE PREPARATION OF ONE OR MORE OFFICIAL STATEMENTS; AND ENACTING OTHER PROVISIONS RELATING THERETO

WHEREAS, there are presently outstanding certain obligations of South San Antonio Independent School District (the "District"), described on Schedule I attached hereto and incorporated herein by reference for all purposes (collectively, the "Refunded Bond Candidates"), which are secured by and payable from ad valorem taxes levied, assessed and collected, without legal limit as to rate or amount, on property within the District in an amount sufficient to pay principal of and interest on such bonds as they become due; and

WHEREAS, it is intended that all or a portion of the Refunded Bond Candidates shall be designated as Refunded Bonds (as hereinafter defined) in the Pricing Certificate (as hereinafter defined) and shall be refunded pursuant to this Order and the Pricing Certificate; and

WHEREAS, Chapter 1207, Texas Government Code, as amended ("Chapter 1207") further authorizes the District to enter into an escrow agreement with any commercial bank with respect to the safekeeping, investment, reinvestment, administration and disposition of any such deposit, upon such terms and conditions as the District and such bank may agree; and

WHEREAS, the Board of Trustees of the District (the "Board") hereby finds and determines that the issuance and delivery of the refunding bonds hereinafter authorized is in the public interest and the use of the proceeds in the manner herein specified constitutes a valid public purpose; and

WHEREAS, the Board further finds and determines that the refunding contemplated in this Order will benefit the District by providing a debt service savings payable by the District in an amount to be certified in the Pricing Certificate, and that such benefit is sufficient consideration for the refunding of the Refunded Bonds; and

WHEREAS, the Board finds and determines that it is necessary and in the best interest of the District and its citizens that it authorize by this Order the issuance and delivery of its bonds at this time, and

WHEREAS, the District has a principal amount of at least \$100,000,000 in a combination of outstanding long-term indebtedness and long-term indebtedness proposed to be issued, and some amount of such long-term indebtedness is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities without regard to the effect of any credit agreement or other form of credit enhancement entered

into in connection with the obligation, and therefore qualifies as an “Issuer” under Chapter 1371 of the Texas Government Code, as amended (“Chapter 1371”); and

WHEREAS, pursuant to Chapters 1207 and 1371, the District desires to delegate the authority to effect the sale of the Bonds from time to time to the Authorized Officer (as hereinafter defined); and

WHEREAS, the meeting at which this Order is considered is open to the public as required by law, and the public notice of the time, place and purpose of said meeting was given as required by Chapter 551, Texas Government Code; NOW, THEREFORE

BE IT ORDERED BY THE BOARD OF TRUSTEES OF SOUTH SAN ANTONIO 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:

“Accreted Value” means, with respect to the Capital Appreciation Bonds, the original principal amount of such Bond plus the initial premium, if any, paid therefor, with interest thereon compounded semiannually to February 15 or August 15, as the case may be, next preceding the date of such calculation (or, the date of calculation, if such calculation is made on February 15 or August 15). The Capital Appreciation Bonds shall bear interest at a compounding rate which produces the approximate Yield to Stated Maturity set forth in the Pricing Certificate. For any day other than a February 15 or August 15, the Accreted Value of a Capital Appreciation Bond shall be determined by a straight-line interpolation between the values for the applicable semiannual compounding dates, based on 30-day months. The Accreted Values of the Capital Appreciation Bonds (per \$5,000 of the Maturity Amount), as of each February 15 and August 15 shall be set forth in the Pricing Certificate.

“Authorized Officer” means any one of the President, Board of Trustees, the Secretary, Board of Trustees, the Superintendent of the District, or the Chief Financial Officer of the District, and any person serving in an acting or interim capacity for any such positions, singly, and each of them.

“Board” means the Board of Trustees of the District.

“Bond” means any of the Bonds.

“Bond Date” means, for each series of Bonds, the date designated as the date of the Bonds in the Pricing Certificate as authorized by Section 3.02(a).

“Bonds” means the District’s bonds authorized to be issued in one or more series by Section 3.01.

“Business Day” means a day that is not a Saturday, Sunday, legal holiday or other day on which banking institutions in the city where the Designated Payment/Transfer Office is located are required or authorized by law or executive order to close.

“Capital Appreciation Bonds” means, collectively, the Bonds of any series designated as Premium Capital Appreciation Bonds in the Pricing Certificate, if any, and with respect to which interest is compounded semiannually and is payable only at Maturity.

“Closing Date” means the date of the initial delivery of and payment for each series of Bonds.

“Code” means the Internal Revenue Code of 1986, as amended, and, with respect to a specific section thereof, such reference shall be deemed to include (a) the Regulations promulgated under such section, (b) any successor provision of similar import hereafter, (c) any corresponding provision of any subsequent Internal Revenue Code, and (d) the regulations promulgated under the provisions described in (b) and (c).

“Current Interest Bonds” means collectively, the Bonds of any series designated as Current Interest Bonds in the Pricing Certificate and with respect to which interest is payable on each Interest Payment Date.

“Debt Service” means, with respect to each series of Bonds, all amounts due and payable with respect to the Bonds representing the principal of and interest on the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds, in each case payable at the times and in the manner provided herein and in the Pricing Certificate.

“Designated Payment/Transfer Office” means (i) with respect to the initial Paying Agent/Registrar named in the Pricing Certificate, its corporate trust office designated in the Pricing Certificate or such other location designated by the Paying Agent/Registrar, and (ii) with respect to any successor Paying Agent/Registrar, the office of such successor designated and located as may be agreed upon by the District and such successor.

“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.

“Escrow Agent” means the Escrow Agent, one or more, designated in the Pricing Certificate, or any successor thereto.

“Escrow Agreement” means one or more escrow agreements by and between the District and the Escrow Agent relating to the Refunded Bonds.

“Escrow Fund” means the fund or funds by that name established in the Escrow Agreement to hold cash and securities for the payment of debt service on the Refunded Bonds.

“Event of Default” means any event of default as defined in Section 10.01.

“Financial Obligation” shall have the meaning given to such term in Section 13.01 of this Order.

“Initial Bonds” means the Initial Current Interest Bond and the Initial Capital Appreciation Bond for each series of Bonds authorized by Section 3.04(d).

“Initial Capital Appreciation Bond” means the Initial Capital Appreciation Bond for each series of Bonds authorized by Section 3.04(d).

“Initial Current Interest Bond” means the Initial Current Interest Bond for each series of Bonds authorized by Section 3.04(d).

“Interest and Sinking Fund” means each interest and sinking fund established by Section 8.01.

“Interest Payment Date” means, with respect to Current Interest Bonds, the date or dates on which interest on the principal of such Bonds is scheduled to be paid, such dates being February 15 and August 15, as designated in the Pricing Certificate.

“Maturity” means the date on which the principal of the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds for each series of Bonds become due and payable according to the terms thereof, whether at Stated Maturity or by proceedings for prior redemption.

“Maturity Amount” means, with respect to Capital Appreciation Bonds, the original principal amount thereof plus the initial premium, if any, paid therefor, plus interest accreted and compounded thereon, as set forth herein and in the Pricing Certificate, and payable at Maturity.

“MSRB” shall have the meaning given to such term in Section 13.01 of this Order.

“Notice of Sale” means one or more notices approved by the Authorized Officer and utilized in each sale of the Bonds if such Bonds are sold in a competitive sale.

“Order” means this Order.

“Owner” means the person who is the registered owner of a Bond or Bonds, as shown in the Register.

“Paying Agent/Registrar” means the Paying Agent/Registrar designated in the Pricing Certificate, or any successor thereto as provided in this Order.

“Paying Agent Registrar Agreement” means the Paying Agent/Registrar Agreement between the Paying Agent/Registrar and the District relating to the Bonds.

“Pricing Certificate” means a certificate or certificates to be signed by the Authorized Officer setting forth the final terms for each series of Bonds, as directed by and pursuant to this Order.

“Purchase Contract” means, for each series of Bonds that are sold in a negotiated sale, one or more purchase contracts between the District and the Underwriters providing for the sale of the Bonds to the Underwriters.

“Purchaser” means, for each series of the Bonds that are sold in a competitive sale, the initial purchaser of the Bonds designated in the Pricing Certificate.

“Record Date” means the last Business Day of the month next preceding an Interest Payment Date.

“Refunded Bond Candidates” means the outstanding obligations of the District identified and described in Schedule I attached hereto which are authorized to be designated as Refunded Bonds in the Pricing Certificate.

“Refunded Bonds” means those obligations of the District designated as such in the Pricing Certificate selected from the list of Refunded Bond Candidates described in Schedule I attached hereto.

“Register” means the Bond register required by Section 3.06(a).

“Regulations” means the applicable proposed temporary or final Treasury Regulations promulgated under the Code or, to the extent applicable to the Code, under the Internal Revenue Code of 1954, as such regulations may be amended or supplemented from time to time.

“Representation Letter” means the Blanket Letter of Representations between the District and DTC.

“Representative” means the representative, if any, of the Underwriters designated in the Purchase Contract.

“Rule” shall have the meaning given to such term in Section 13.01 of this Order.

“SEC” shall have the meaning given to such term in Section 13.01 of this Order.

“Special Payment Date” means the date that is fifteen (15) days after the Special Record Date, as described in Section 3.03(e).

“Special Record Date” means the new record date for interest payment established in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, as described in Section 3.03(e).

“State” means the State of Texas.

“Stated Maturity” means the respective stated maturity dates of the Bonds specified in the Pricing Certificate.

“Tax-Exempt Bonds” means any series of Bonds, the interest on which is excludable from gross income for federal income tax purposes, as determined and set forth in the Pricing Certificate.

“Taxable Bonds” means any series of Bonds, the interest on which is not excludable from gross income for federal income tax purposes, as determined and set forth in the Pricing Certificate.

“Term Bond” or “Term Bonds” means the Bonds of any series designated as “Term Bonds” in the Pricing Certificate.

“Unclaimed Payments” means money deposited with the Paying Agent/Registrar for the payment of Debt Service or money set aside for the payment of Bonds duly called for redemption prior to Stated Maturity and remaining unclaimed by the Owners of such Bonds for 90 days after the applicable payment or redemption date.

“Underwriters” means, for any series of the Bonds that are sold in a negotiated sale, the entity or entities named as such underwriters of the Bonds in the Purchase Contract.

Section 1.02. Other Definitions. The capitalized terms defined in the preamble to this Order shall have the meanings assigned to them in the preamble of this Order.

Section 1.03. Findings. The declarations, determinations and findings declared, made and found in the preamble to this Order are hereby adopted, restated and made a part of the operative provisions hereof.

Section 1.04. 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 1.05. 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 to sustain the validity of this Order.

(c) All article and section references shall mean references to the respective articles and sections of this Order unless designated otherwise.

ARTICLE II

SECURITY FOR THE BONDS

Section 2.01. Tax Levy. (a) Pursuant to the authority granted by the Constitution and laws of the State, there is hereby levied for the current year and for each succeeding year hereafter while any series 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 limit as to rate or amount, to pay Debt Service on each series of Bonds when due and payable, full allowance being made for delinquencies and costs of collection.

(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 for each series of Bonds shall be deposited as collected to the Interest and Sinking Fund for such series of Bonds.

(c) Said ad valorem tax for each series of Bonds, the collections therefrom, and all amounts on deposit in or required hereby to be deposited to the Interest and Sinking Fund for each series of Bonds are hereby pledged and committed irrevocably to the payment of Debt Service in accordance with the terms of the Bonds and this Order.

(d) To the extent the District has available funds which may be lawfully used to pay Debt Service and such funds are on deposit in the Interest and Sinking Fund for a series of Bonds in advance of the time when the Board is scheduled to set a tax rate for any year, then such tax rate which otherwise would be required to be established pursuant to subsection (a) of this Section with respect to such Bonds may be reduced to the extent and by the amount of such funds then on deposit in the Interest and Sinking Fund for such series of Bonds.

(e) To pay the Debt Service coming due on the Bonds prior to receipt of the taxes levied to pay such Debt Service, if any, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

Section 2.02. Application of Chapter 1208, Government Code. Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the District under Section 2.01, and such pledge thereto is valid, effective, and perfected. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the District under Section 2.01 is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, in order to preserve to the registered owners of the Bonds the perfection of a security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

ARTICLE III

AUTHORIZATION; GENERAL TERMS AND PROVISIONS REGARDING THE BONDS

Section 3.01. Authorization. One or more series of the District's bonds are hereby authorized to be issued and delivered in accordance with the terms of this Order and the Constitution and laws of the State of Texas, including particularly Chapter 1207 and Chapter 1371. The final designation and title of each series of Bonds shall be as set forth in the Pricing Certificate. Each series of Bonds shall be issued in the principal amount set forth in the Pricing Certificate, with the aggregate principal amount for all Bonds not to exceed \$22,840,000. The Bonds are authorized to be issued and delivered for the purposes of refunding the Refunded Bonds and paying the costs of issuance of the Bonds. Each series of Bonds may be issued as Current Interest Bonds, Capital Appreciation Bonds or a combination of Current Interest Bonds and Capital Appreciation Bonds, as determined by the Authorized Officer and all as identified and designated in the Pricing Certificate.

Section 3.02. Date, Denomination, Maturities, and Interest. (a) Each series of Bonds shall be dated the Bond Date set forth in the Pricing Certificate, and shall be in fully registered form, without coupons.

(b) The Current Interest Bonds for any series shall be in the aggregate principal amount designated in the Pricing Certificate, shall be in the denomination of \$5,000 principal amount or any integral multiple thereof and shall be numbered separately from one upward, except the Initial Current Interest Bond, which shall be numbered T-1.

(c) The Current Interest Bonds shall mature on the dates and in the principal amounts and shall bear interest at the per annum rates set forth in the Pricing Certificate.

(d) Interest shall accrue and be paid on each Current Interest Bond, respectively, until the principal amount thereof has been paid or provision for such payment has been made, from the later of (i) the Bond Date or the Closing Date, as set forth in the Pricing Certificate, or (ii) the most recent Interest Payment Date to which interest has been paid or provided for at the rate per annum for each respective maturity specified in the Pricing Certificate. Such interest shall be payable on each Interest Payment Date and shall be computed on the basis of a 360-day year of twelve 30-day months.

(e) The Capital Appreciation Bonds for any series shall be in the aggregate original principal amount and aggregate Maturity Amount designated in the Pricing Certificate, shall be in the Maturity Amounts of \$5,000 or any integral multiple thereof, and shall be numbered separately from CAB-1 upward, except the Initial Capital Appreciation Bond, which shall be numbered TCAB-1.

(f) The Capital Appreciation Bonds shall be issued in the original principal amounts and shall bear interest at the per annum rates, calculated on the basis of a 360-day year composed of twelve 30-day months (subject to rounding to the Accreted Values thereof), and shall mature on the dates and in the Maturity Amounts set forth in the Pricing Certificate.

(g) Interest shall accrete on each Capital Appreciation Bond from the Closing Date and shall be compounded semiannually on February 15 and August 15 each year, as designated in the Pricing Certificate, until Maturity. The accreted interest on each Capital Appreciation Bond shall be payable at Maturity as a portion of the Maturity Amount.

Section 3.03. Medium, Method and Place of Payment. (a) Debt Service shall be paid in lawful money of the United States of America.

(b) Interest on each Current Interest Bond shall be paid by check dated as of the Interest Payment Date, and sent first class United States mail, postage prepaid, by the Paying Agent/Registrar to each Owner, as shown in the Register at the close of business on the Record Date, at the address of each such Owner as such appears in the Register or by such other customary banking arrangements acceptable to the Paying Agent/Registrar and the person to whom interest is to be paid; provided, however, that such person shall bear all risk and expense of such other customary banking arrangements.

(c) The principal of each Current Interest Bond and the Maturity Amount of each Capital Appreciation Bond shall be paid to the Owner thereof at Maturity upon presentation and surrender of such Bond at the Designated Payment/Transfer Office of the Paying Agent/Registrar.

(d) If the date for the payment of Debt Service, 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 as specified in this Section.

(e) In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the special payment date of the past due interest (the "Special Payment Date," which shall be fifteen (15) days after the Special Record Date) shall be sent at least five Business Days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each Owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last Business Day next preceding the date of mailing of such notice.

(f) Unclaimed Payments shall be segregated in a special account and held in trust, uninvested by the Paying Agent/Registrar, for the account of the Owner of the Bonds to which the Unclaimed Payments pertain. Subject to Title 6, Texas Property Code, Unclaimed Payments remaining unclaimed by the Owners entitled thereto for three (3) years after the applicable payment or redemption date shall be applied to the next payment or payments on the Bonds thereafter coming due and, to the extent any such money remains after the retirement of all outstanding Bonds, shall be paid to the District to be used for any lawful purpose. Thereafter, neither the District, the Paying Agent/Registrar nor any other person shall be liable or responsible to any holders of such Bonds for any further payment of such unclaimed moneys or on account of any such Bonds, subject to Title 6, Texas Property Code.

Section 3.04. Execution and Registration of Bonds. (a) The Bonds shall be executed on behalf of the District by the President and the 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) In the event 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 facsimile signature nevertheless shall be valid and sufficient for all purposes as if such officer had remained in such office.

(c) Except as provided below, no Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit of this Order unless and until 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. It shall not be required that the same officer or authorized signatory of the Paying Agent/Registrar sign the Certificate of Paying Agent/Registrar on all of the Bonds. In lieu of the executed Certificate of Paying Agent/Registrar described above, the Initial Bonds delivered at the Closing Date shall have attached thereto the Comptroller's Registration Certificate substantially in the form provided herein, manually executed by the Comptroller of Public Accounts of the State of Texas, or by his duly authorized agent, which certificate shall be evidence that the Initial Bonds have been duly approved by the Attorney General of the State of Texas and that they are valid and binding obligations of the District, and have been registered by the Comptroller of Public Accounts of the State of Texas.

(d) On the Closing Date, the Initial Bonds, being (i) a single Initial Current Interest Bond for each series of Bonds representing the entire principal amount of the Current Interest Bonds for each series of Bonds designated in the Pricing Certificate and (ii) a single Initial Capital Appreciation Bond for each series of Bonds representing the aggregate Maturity Amount of the Capital Appreciation Bonds for each series of Bonds designated in the Pricing Certificate, each such Initial Bond to be payable in stated installments to the Purchaser (if Bonds are sold in a competitive sale) or to the Representative of the Underwriters or its designee (if Bonds are sold in a negotiated sale), each such Initial Bond to be executed by manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller of Public Accounts, will be delivered to the Purchaser or Representative or its designee, as applicable. Upon payment for the Initial Bonds, the Paying Agent/Registrar shall cancel the Initial Bonds and deliver registered definitive Bonds to DTC in accordance with Section 3.10. 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 3.05. Ownership. (a) The District, the Paying Agent/Registrar and any other person may treat the Owner as the absolute owner of such Bond for the purpose of making and receiving payment of the principal or Maturity Amount thereof, as applicable, and for the further purpose of making and receiving payment of the interest thereon (subject to the provisions herein

that interest for the Current Interest Bonds is to be paid to the person in whose name the Current Interest 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 3.06. Registration, Transfer and Exchange. (a) So long as any Bonds remain outstanding, the District shall cause the Paying Agent/Registrar to keep at its Designated Payment/Transfer Office a bond register (the "Register") in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration 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 to the Paying Agent/Registrar at the Designated Payment/Transfer Office with such endorsement or other instrument of transfer and assignment 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 Payment/Transfer Office for a Bond or Bonds of the same series, maturity and interest rate and in any denomination or denominations of any integral multiple of \$5,000 and in an aggregate principal amount (with respect to the Current Interest Bonds) or Maturity Amount (with respect to the Capital Appreciation Bonds) equal to the unpaid principal amount or Maturity Amount, as applicable, of the Bonds presented for exchange.

(d) The Paying Agent/Registrar is hereby authorized to authenticate and deliver Bonds transferred or exchanged in accordance with this Section. A new Bond or Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bond being transferred or exchanged, at the Designated Payment/Transfer, or sent by United States mail, first class, postage prepaid, to the Owner or his designee. Each Bond delivered by the Paying Agent/Registrar in accordance with this Section shall constitute an original contractual obligation of the District and 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 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, 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) Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Bond called for redemption within 45 days of the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the registered owner of the uncalled balance of a Bond.

Section 3.07. Cancellation. All Bonds paid or redeemed before Stated 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 cancelled upon the making of proper records regarding such payment, exchange or replacement. The Paying Agent/Registrar shall dispose of such cancelled Bonds in the manner required by the Paying Agent/Registrar's record retention policy.

Section 3.08. Temporary Bonds. (a) Following the delivery and registration of the Initial Bonds and pending the preparation of definitive Bonds, the proper officers of the District may execute and, upon the District's request, the Paying Agent/Registrar shall authenticate and deliver, one or more temporary Bonds that are printed, lithographed, typewritten, mimeographed or otherwise produced, in any denomination, substantially of the tenor of the definitive Bonds in lieu of which they are delivered, without coupons, and with such appropriate insertions, omissions, substitutions and other variations as the officers of the District executing such temporary Bonds may determine, as evidenced by their signing of such temporary Bonds.

(b) Until exchanged for Bonds in definitive form, such Bonds in temporary form shall be entitled to the benefit and security of this Order.

(c) The District, without unreasonable delay, shall prepare, execute and deliver to the Paying Agent/Registrar the Bonds in definitive form; thereupon, upon the presentation and surrender of the Bond or Bonds in temporary form to the Paying Agent/Registrar, the Paying Agent/Registrar shall cancel the Bonds in temporary form and authenticate and deliver in exchange therefor a Bond or Bonds of the same maturity and series, in definitive form, in the authorized denomination, and in the same aggregate principal amount (with respect to the Current Interest Bonds) or Maturity Amount (with respect to the Capital Appreciation Bonds), as the Bond or Bonds in temporary form surrendered. Such exchange shall be made without the making of any charge therefor to any Owner.

Section 3.09. 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 series, tenor and principal amount (with respect to the Current Interest Bonds) or Maturity Amount (with respect to the Capital Appreciation Bonds), 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) In the event that any Bond is lost, apparently destroyed or wrongfully taken, the Paying Agent/Registrar, 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 authenticate and deliver a replacement Bond of like series, tenor and principal amount (with respect to the Current Interest Bonds) or Maturity Amount (with respect to the Capital Appreciation Bonds), bearing a number not contemporaneously outstanding, provided that the Owner first complies with the following requirements:

(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 to save it and the District 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 and the Paying Agent/Registrar.

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

(e) Each replacement Bond delivered in accordance with this Section shall constitute an original additional contractual obligation of the District and 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 3.10. Book-Entry-Only System. (a) To the extent so designated in the Pricing Certificate, the definitive Bonds of each series shall be initially issued in the form of a separate single fully registered Current Interest Bond and Capital Appreciation Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 3.11 hereof all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds, except as provided in this Order. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than an Owner, of any amount with respect to Debt Service. The Paying Agent/Registrar shall pay all

Debt Service only to or upon the order of the respective Owners, 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 payment of, Debt Service 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. 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 registered 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.

Section 3.11. Successor Securities Depository; Transfer Outside 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, and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, or in the event DTC discontinues the services described herein, the District or the Paying Agent/Registrar shall (i) 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 and DTC Participants, as identified by DTC, of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants, as identified by 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, as identified by DTC. 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, as applicable, in accordance with the provisions of this Order.

Section 3.12. Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments of Debt Service on such Bonds, and all notices with respect to such Bonds, shall be made and given, respectively, in the manner provided in the Representation Letter.

ARTICLE IV

REDEMPTION OF BONDS BEFORE MATURITY

Section 4.01. Limitation on Redemption. Each series of the Bonds shall be subject to redemption before Stated Maturity only as provided in this Article IV and in the Pricing Certificate.

Section 4.02. Optional Redemption. (a) The Current Interest Bonds and the Capital Appreciation Bonds of each series shall be subject to redemption at the option of the District at such times, in such amounts, in such manner and at such redemption prices as may be designated and provided for in the Pricing Certificate.

(b) The District, at least 45 days before any redemption date for the Bonds, unless a shorter period shall be satisfactory to the Paying Agent/Registrar, shall notify the Paying Agent/Registrar of such redemption and of the principal amount of the Current Interest Bonds or the Maturity Amount of the Capital Appreciation Bonds, as applicable, to be redeemed.

Section 4.03. Mandatory Sinking Fund Redemption. (a) The Current Interest Bonds of each series designated as Term Bonds, if any, in the Pricing Certificate, are subject to scheduled mandatory redemption and will be redeemed by the District, in part at a price equal to the principal amount thereof, without premium, plus accrued interest to the redemption date, out of moneys available for such purpose in the Interest and Sinking Fund for such Bonds, on the dates and in the respective principal amounts as set forth in the Pricing Certificate.

(b) At least forty-five (45) days prior to each scheduled mandatory redemption date, the Paying Agent/Registrar shall select for redemption by lot, or by any other customary method that results in a random selection, a principal amount of Term Bonds equal to the aggregate principal amount of such Term Bonds to be redeemed, shall call such Term Bonds for redemption on such scheduled mandatory redemption date, and shall give notice of such redemption, as provided in Section 4.05.

(c) The principal amount of the Term Bonds required to be redeemed on any redemption date pursuant to subparagraph (a) of this Section 4.03 shall be reduced, at the option of the District, by the principal amount of any Term Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, or (ii) shall have been redeemed pursuant to the optional redemption provisions hereof and not previously credited to a mandatory sinking fund redemption.

Section 4.04. Partial Redemption. (a) If less than all of the Current Interest Bonds or less than all of the Capital Appreciation Bonds of a series are to be redeemed pursuant to Section 4.02(a), the District shall determine the maturities and the principal amount thereof, with respect to Current Interest Bonds, and the maturities and the Maturity Amount thereof, with respect to the Capital Appreciation Bonds to be redeemed and shall direct the Paying Agent/Registrar to call by lot such Bonds for redemption.

(b) A portion of a single Current Interest Bond of a denomination greater than \$5,000 may be redeemed, but only in a principal amount equal to \$5,000 or any integral multiple thereof. A portion of a single Capital Appreciation Bond of a denomination greater than \$5,000 Maturity Amount may be redeemed but only in a Maturity Amount equal to \$5,000 or any integral multiple thereof. The Paying Agent/Registrar shall treat each \$5,000 portion of such Current Interest Bond or \$5,000 Maturity Amount of Capital Appreciation 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, in accordance with Section 3.06 of this Order, shall authenticate and deliver exchange Bonds of the same series in an aggregate principal amount or Maturity Amount, as applicable, equal to the

unredeemed principal amount or Maturity Amount, as applicable, of the Bond so surrendered, such exchange being without charge.

Section 4.05. Notice of Redemption to Owners. (a) The Paying Agent/Registrar shall give notice of any redemption of Bonds by sending notice by United States mail, first class, postage prepaid, not less than 30 days before the date fixed for redemption, to the Owner of each Bond (or part thereof) to be redeemed, at the address shown in the Register at the close of business on the Business Day next preceding the date of mailing such notice.

(b) The notice shall state the redemption date, the redemption price, the place at which the Bonds are to be surrendered for payment, and, if less than all of the outstanding Bonds of a series are to be redeemed, an identification of the Bonds or portions thereof to be redeemed.

(c) The District reserves the right to give notice of its election or direction to redeem Bonds under Section 4.02 conditioned upon the occurrence of subsequent events. Such notice may state (i) that the redemption is conditioned upon the deposit of moneys and/or authorized securities, in an amount equal to the amount necessary to effect the redemption, with the Paying Agent/Registrar, or such other entity as may be authorized by law, no later than the redemption date or (ii) that the District retains the right to rescind such notice at any time prior to the scheduled redemption date if the District delivers a certificate of the District to the Paying Agent/Registrar instructing the Paying Agent/Registrar to rescind the redemption notice, and such notice and redemption shall be of no effect if such moneys and/or authorized securities are not so deposited or if the notice is rescinded. The Paying Agent/Registrar shall give prompt notice of any such rescission of a conditional notice of redemption to the affected Owners. Any Bonds subject to conditional redemption where redemption has been rescinded shall remain Outstanding, and the rescission shall not constitute an Event of Default. Further, in the case of a conditional redemption, the failure of the District to make moneys and/or authorized securities available in part or in whole on or before the redemption date shall not constitute an Event of Default.

(d) 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.

Section 4.06. Payment Upon Redemption. (a) Before or on each redemption date, the District shall deposit with the Paying Agent/Registrar money sufficient to pay all amounts due on the redemption date and the Paying Agent/Registrar shall make provision for the payment of the Bonds to be redeemed on such date by setting aside and holding in trust an amount from the Interest and Sinking Fund or otherwise received by the Paying Agent/Registrar from the District and shall use such funds solely for the purpose of paying the amounts due on the redemption date on the Bonds being redeemed.

(b) Upon presentation and surrender of any Bond called for redemption at the Designated Payment/Transfer Office on or after the date fixed for redemption, the Paying Agent/Registrar shall pay the amounts due on the redemption date on such Bond from the money set aside for such purpose.

Section 4.07. Effect of Redemption. (a) Notice of redemption having been given as provided in Section 4.05 of this Order and subject, in the case of an optional redemption under Section 4.02, to any conditions or rights reserved by the District under Section 4.05(c), the Bonds or portions thereof called for redemption shall become due and payable on the date fixed for redemption and, unless the District defaults in its obligation to make provision for the payment of the amounts due on such Bonds on the redemption date, such Bonds or portions thereof shall cease to bear interest from and after 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 payment of all sums due on a redemption date, then any Bond or portion thereof called for redemption shall continue to bear interest at the rate stated on the Bond until due provision is made for the payment of same.

Section 4.08. Lapse of Payment. Money set aside for the redemption of the Bonds and remaining unclaimed by the Owners thereof shall be subject to the provisions of Section 3.03(f) hereof.

ARTICLE V

PAYING AGENT/REGISTRAR

Section 5.01. Appointment of Initial Paying Agent/Registrar. (a) The Authorized Officer is hereby authorized to select and appoint the initial Paying Agent/Registrar for each series of Bonds, and the initial Paying Agent/Registrar for each series of Bonds shall be designated in the Pricing Certificate.

(b) The Authorized Officer is hereby authorized and directed to execute and deliver a Paying Agent/Registrar Agreement, specifying the duties and responsibilities of the District and the Paying Agent/Registrar, in the form and having such terms and provisions as are approved by the Authorized Officer, such approval to be evidenced by the Authorized Officer's execution thereof.

Section 5.02. Qualifications. Each Paying Agent/Registrar shall be a commercial bank, a trust company organized under the laws of the State of Texas, or any 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 5.03. 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 5.02 of this Order.

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

Section 5.04. Termination. The District reserves the right, with respect to each series of Bonds, to terminate the appointment of any Paying Agent/Registrar by delivering to the entity whose appointment is to be terminated (i) 45 days written notice of the termination of the appointment and of the Paying Agent/Registrar Agreement, stating the effective date of such

termination, and (ii) appointing a successor Paying Agent/Registrar; provided, that, no such termination shall be effective until a successor paying agent/registrar has assumed the duties of paying agent/registrar for such Bonds.

Section 5.05. 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 in the Register, stating the effective date of the change and the name and mailing address of the replacement Paying Agent/Registrar.

Section 5.06. Agreement to Perform Duties and Functions. By accepting the appointment as Paying Agent/Registrar for each series of Bonds, the Paying Agent/Registrar is deemed to have agreed to the provisions of this Order and the Pricing Certificate and that it will perform the duties and functions of Paying Agent/Registrar prescribed hereby.

Section 5.07. 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.

ARTICLE VI

FORM OF THE BONDS

Section 6.01. Forms Generally. (a) The Bonds of any series, including the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to accompany the Initial Bonds, the Certificate of the Paying Agent/Registrar, the Certificate of Permanent School Fund Guarantee and the Assignment form to appear on each of the Bonds (i) shall be substantially in the form set forth in the Pricing Certificate, with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Order and the Pricing Certificate, 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 any reproduction of an opinion of counsel) thereon as, consistently herewith, may be determined by the District or by the officers executing such Bonds, as evidenced by their execution thereof.

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

(c) The Bonds shall 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 thereof.

Section 6.02. CUSIP Registration. The District may secure identification numbers through CUSIP Global Services 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 bond counsel to the District are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

Section 6.03. Legal Opinion. The approving legal opinion of Bracewell LLP, Bond Counsel, may be attached to or printed on the reverse side of each definitive Bond over the certification of the Secretary of the Board, which may be executed in facsimile.

ARTICLE VII

SALE AND DELIVERY OF BONDS; DEPOSIT OF PROCEEDS

Section 7.01. Sale of Bonds, Official Statement. (a) The Bonds shall be issued in one or more series and shall be sold to the Underwriters or the Purchaser in accordance with the terms of this Order, a Pricing Certificate and to the extent applicable, one or more Purchase Contracts or bid forms. As authorized by Chapter 1207 and Chapter 1371, the Authorized Officer is authorized to act on behalf of the District upon determining that the conditions set forth below can be satisfied in selling and delivering the Bonds and in carrying out the other procedures specified in this Order. The Authorized Officer shall determine, based on then current market conditions, whether the Bonds shall be sold pursuant to a negotiated or competitive sale, determining the Purchaser or Underwriters of the Bonds, the price at which each of the Bonds will be sold, the number and designation of each series of Bonds to be issued, whether particular Bonds will be issued as Tax-Exempt Bonds and/or Taxable Bonds, the substantially final form in which the Bonds shall be issued, the aggregate principal amount and Maturity Amount of Bonds to be issued and, with respect to each series of Bonds, the years and dates on which the Bonds will mature, the principal amount (with respect to Current Interest Bonds) and Maturity Amount (with respect to Capital Appreciation Bonds) to mature in each of such years, the aggregate principal amount (with respect to Current Interest Bonds) and Maturity Amount (with respect to Capital Appreciation Bonds) of the Bonds to be issued by the District, the rate of interest to be borne by each maturity of the Bonds, the yield to Stated Maturity for the Capital Appreciation Bonds, the first Interest Payment Date for the Current Interest Bonds, the first compounding date for the Capital Appreciation Bonds, the dates, prices and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the District and shall be subject to mandatory sinking fund redemption, selection of the specific maturities or series of Refunded Bonds from the list of Refunded Bond Candidates, the acquisition of the Permanent School Fund Guarantee, retaining the verification agent, if any, the selection of the Escrow Agent and the Paying Agent/Registrar, and all other matters relating to the issuance, sale and delivery of the Bonds and the refunding of the Refunded Bonds, all of which shall be specified in the Pricing Certificate; provided that the following conditions can be satisfied:

(i) the Bonds shall not bear interest at a rate greater than the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;

(ii) the aggregate principal amount of the Bonds authorized to be issued for the purposes described in Section 3.01 shall not exceed \$22,840,000;

(iii) the refunding of the Refunded Bonds shall result in a debt service net present value savings of at least 3.00% of the principal amount of the Refunded Bonds;

- (iv) the all-in true interest cost of the Bonds shall not exceed 5.00%; and
- (v) the final maturity date for the Bonds shall not be later than August 15, 2037;

all based on bond market conditions and available interest rates for the Bonds on the date of the sale of the Bonds, all as set forth in the Pricing Certificate. The Pricing Certificate may contain a finding by the Authorized Officer that the terms of the sale of the Bonds were the most advantageous to the District. The Refunded Bonds shall be identified in the Pricing Certificate in accordance with the preceding sentence, except that if less than an entire maturity is to be refunded, the Refunded Bonds to be refunded within a maturity shall be selected as provided in the orders authorizing their issuance and, if not so provided, by lot.

If any series of Bonds are sold in a negotiated sale, the Authorized Officer is hereby authorized and directed to execute and deliver on behalf of the District one or more bond Purchase Contracts, providing for the sale of the Bonds to the Underwriters in such form as determined by the Authorized Officer. The Authorized Officer is hereby authorized and directed to approve the final terms and provisions of the Purchase Contracts in accordance with the terms of the Pricing Certificate and this Order, such approval and determination being evidenced by its execution thereof by the Authorized Officer. If any series of Bonds are sold in a competitive sale, the Authorized Officer is authorized to, in conformity with this Order, approve the terms, conditions and specifications for the sale of such Bonds in the Notice of Sale. The Authorized Officer is further authorized to award the sale of such Bonds to the purchaser submitting a bid form conforming to the specifications set forth in the Notice of Sale which produces the lowest true interest cost to the District. All officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds. The Bonds shall initially be registered in the name of the Representative or such other entity as may be specified in the Purchase Contracts.

The authority granted to the Authorized Officer under this Section 7.01(a) shall expire on July 17, 2025 unless otherwise extended by the Board of Trustees by separate action, and no Purchase Contract has been signed by the Authorized Officer.

(b) The Authorized Officer is hereby authorized and directed to cause to be prepared on behalf of the District one or more Preliminary Official Statements and Notices of Sale (to be used if such Bonds are sold in a competitive sale), to be used in the offering and sale of the Bonds, and to certify or otherwise represent that the Preliminary Official Statement is a “deemed final” official statement 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 Rule 15c2-12 under the Securities Exchange Act of 1934, as amended, with such changes, modifications and completions as may be required upon pricing and approved by the Authorized Officer (each an “Official Statement”). The use and distribution of the Preliminary Official Statement and the Notice of Sale in the public offering of the Bonds is hereby authorized. The President of the Board and the Authorized Officer are hereby further authorized and directed to use and distribute or authorize the use and distribution of one or more Official Statements and to execute the same and deliver appropriate numbers of copies thereof to the Underwriters (if the Bonds are sold in a negotiated

sale) or the Purchaser (if the Bonds are sold in a competitive sale). Each Official Statement as thus approved, executed and delivered, with such appropriate variations as shall be approved by the Authorized Officer and the Underwriters or Purchaser, as applicable, may be used by the Underwriters in the public offering and sale of the Bonds. The Secretary of the Board is hereby authorized and directed to include and maintain each such copy of the Preliminary Official Statement and the Official Statement and any addenda, supplement or amendment thereto thus approved among the permanent records of this meeting.

(c) For each series of Bonds to be issued, the President of the Board, the Authorized Officer and all other officers of the District are authorized to take such actions, to obtain such consents or approvals and to execute such documents, certificates and receipts as they may deem necessary and appropriate in order to consummate the delivery of the Bonds, to pay the costs of issuance of the Bonds, and to effectuate the terms and provisions of this Order, including, without limitation, making application for the guarantee of the permanent school fund for the Bonds from the Texas Education Agency. The Pricing Certificate may also contain such additional, supplemental or modified provisions relating to the continuing disclosure undertaking set forth in Article XIII hereof as may be necessary or desirable in connection with the sale of the Bonds. Further, in connection with the submission of the record of proceedings for each series of Bonds to the Attorney General of the State of Texas for examination and approval of such Bonds, the appropriate officer of the District is hereby authorized and directed to issue a check of the District payable to the Attorney General of the State of Texas as a nonrefundable examination fee in the amount required by Chapter 1202, Texas Government Code (such amount not to exceed \$9,500 for each series of Bonds).

Section 7.02. Control and Delivery of Bonds. (a) The Authorized Officer is hereby authorized to have control of the Initial Bonds 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 Representative of the Underwriters (if the Bonds are sold in a negotiated sale) or the Purchaser (if the Bonds are sold in a competitive sale) under and subject to the general supervision and direction of the Authorized Officer, or, in his absence, any officer of the Board, against receipt by the District of all amounts due to the District under the terms of sale.

Section 7.03. Deposit of Proceeds. (a) Proceeds from the sale of the Bonds shall be applied as provided in the Pricing Certificate to effectuate the defeasance of the Refunded Bonds.

(b) The remaining proceeds of the Bonds shall be deposited to a special fund of the District and applied solely to pay the costs of issuing the Bonds.

ARTICLE VIII

CREATION OF FUNDS AND ACCOUNTS; INVESTMENTS

Section 8.01. Creation of Interest and Sinking Fund. The District hereby establishes for each series of Bonds the “South San Antonio Independent School District Unlimited Tax Refunding Bonds Interest and Sinking Fund” which shall be maintained at the depository bank of the District. Each Interest and Sinking Fund may have such additional or different designation as may be set forth in the Pricing Certificate.

Section 8.02. Interest and Sinking Fund. (a) The taxes levied under Section 2.01 shall be deposited to the credit of the Interest and Sinking Fund at such times and in such amounts as necessary for the timely payment of Debt Service.

(b) If the amount of money in the Interest and Sinking Fund is at least equal to the aggregate principal amount of the outstanding Current Interest Bonds plus the aggregate amount of interest due and that will become due and payable on such Current Interest Bonds, plus the Maturity Amount due and that will become due and payable on the Capital Appreciation Bonds, no further deposits to that fund need be made.

(c) Money on deposit in the Interest and Sinking Fund shall be used to pay Debt Service as such becomes due and payable.

Section 8.03. Security of Funds. All moneys on deposit in the Interest and Sinking Fund shall be secured in the manner and to the fullest extent required by the laws of the State of Texas for the security of public funds, and moneys on deposit in such funds shall be used only for the purposes permitted by this Order.

Section 8.04. Investments. (a) Money in the Interest and Sinking Fund, at the option of the District, may be invested in such securities or obligations as permitted under applicable law.

(b) Any securities or obligations in which money in an Interest and Sinking Fund 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 fund from which the investment was made.

Section 8.05. Investment Income. Income derived from investment of any fund created by this Order shall be credited to such fund. The investment and application of money in the Escrow Fund, shall be in accordance with the provisions of the Escrow Agreement.

ARTICLE IX

PARTICULAR REPRESENTATIONS AND COVENANTS

Section 9.01. Payment of the Bonds. On or before each date on which Debt Service is due on the Bonds, there shall be made available to the Paying Agent/Registrar, out of the Interest and Sinking Fund, money sufficient to pay such Debt Service when due.

Section 9.02. 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 Debt Service 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 9.03. Federal Income Tax Matters.

(a) Taxable Bonds. Bonds designated as Taxable Bonds are not obligations described in Section 103 of the Code.

(b) Federal Income Tax Matters for Tax-Exempt Bonds

(i) General. The provisions of this Section 9.03(b) are applicable solely to Bonds designated as Tax-Exempt Bonds in the Pricing Certificate. The District covenants not to take any action or omit to take any action that, if taken or omitted, would cause the interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes. In furtherance thereof, the District covenants to comply with sections 103 and 141 through 150 of the Code and the provisions set forth in the Federal Tax Certificate executed by the District in connection with the Tax-Exempt Bonds.

(ii) No Private Activity Bonds. The District covenants that it will use the proceeds of the Tax-Exempt Bonds (including investment income) and the property financed, directly or indirectly, with such proceeds so that the Tax-Exempt Bonds will not be “private activity bonds” within the meaning of section 141 of the Code. Furthermore, the District will not take a deliberate action (as defined in section 1.141-2(d)(3) of the Regulations) that causes the Tax-Exempt Bonds to be a “private activity bond” unless it takes a remedial action permitted by section 1.141-12 of the Regulations.

(iii) No Federal Guarantee. The District covenants not to take any action or omit to take any action that, if taken or omitted, would cause the Tax-Exempt Bonds to be “federally guaranteed” within the meaning of section 149(b) of the Code, except as permitted by section 149(b)(3) of the Code.

(iv) No Hedge Bonds. The District covenants not to take any action or omit to take action that, if taken or omitted, would cause the Tax-Exempt Bonds to be “hedge bonds” within the meaning of section 149(g) of the Code.

(v) No Arbitrage Bonds. The District covenants that it will make such use of the proceeds of the Tax-Exempt Bonds (including investment income) and regulate the investment of such proceeds of the Tax-Exempt Bonds so that the Tax-Exempt Bonds will not be “arbitrage bonds” within the meaning of section 148(a) of the Code.

(vi) Required Rebate. The District covenants that, if the District does not qualify for an exception to the requirements of section 148(f) of the Code, the District will comply with the requirement that certain amounts earned by the District on the investment of the gross proceeds of the Tax-Exempt Bonds, be rebated to the United States.

(vii) Information Reporting. The District covenants to file or cause to be filed with the Secretary of the Treasury an information statement concerning the Tax-Exempt Bonds in accordance with section 149(e) of the Code.

(viii) Record Retention. The District covenants to retain all material records relating to the expenditure of the proceeds (including investment income) of the Tax-Exempt Bonds and the Refunded Bonds refunded by the Tax-Exempt Bonds and the use of the property financed, directly or indirectly, thereby until three years after the last Tax-Exempt Bond is redeemed or paid at maturity (or such other period as provided by subsequent guidance issued by the Department of the Treasury) in a manner that ensures their complete access throughout such retention period.

(ix) Registration. If the Tax-Exempt Bonds are “registration-required bonds” under section 149(a)(2) of the Code, the Tax-Exempt Bonds will be issued in registered form.

(x) Favorable Opinion of Bond Counsel. Notwithstanding the foregoing, the District will not be required to comply with any of the federal tax covenants set forth above if the District has received an opinion of nationally recognized bond counsel that such noncompliance will not adversely affect the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

(xi) Continuing Obligation. Notwithstanding any other provision of this Order, the District’s obligations under the federal tax covenants set forth above will survive the defeasance and discharge of the Tax-Exempt Bonds for as long as such matters are relevant to the excludability of interest on the Tax-Exempt Bonds from gross income for federal income tax purposes.

ARTICLE X

DEFAULT AND REMEDIES

Section 10.01. Events of Default. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an Event of Default with respect to a particular series of Bonds:

(i) the failure to make payment of Debt Service 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 60 days after notice of such default is given by any Owner to the District.

Section 10.02. Remedies for Default. (a) Upon the happening of any Event of Default with respect to a particular series of Bonds, any Owner or an authorized representative 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) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of such series of Bonds then outstanding.

Section 10.03. 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 notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by any 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.

(c) By accepting the delivery of a Bond authorized under this Order, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the District or the Board.

ARTICLE XI

DISCHARGE

Section 11.01. Discharge. Subject to any additional provisions relating thereto in the Pricing Certificate, the District reserves the right to defease, refund or discharge the Bonds in any manner permitted by law.

ARTICLE XII

PURCHASE OF FEDERAL SECURITIES; APPROVAL OF ESCROW AGREEMENT; PAYMENT OF REFUNDED BONDS

Section 12.01. Purchase of Federal Securities. The Authorized Officer is authorized to make necessary arrangements for and to execute such documents and agreements in connection with the purchase of the Federal Securities required by and referenced in the Escrow Agreement, as may be necessary for the Escrow Fund and the application for the acquisition of the Federal Securities is hereby approved and ratified.

Section 12.02. Approval of Escrow Agreement. The Escrow Agreement, having such terms and provisions as are approved, by the Authorized Officer, as evidenced by his execution thereof, and its execution and delivery by the Authorized Officer, are hereby authorized and approved.

Section 12.03. Payment of Refunded Bonds; Redemption of Refunded Bonds. Following the deposit to the Escrow Fund as herein specified, the Refunded Bonds shall be payable solely from and secured by the cash and securities on deposit in the Escrow Fund and shall cease to be payable from ad valorem taxes. The Refunded Bonds are hereby called for redemption prior to maturity on the dates and at the redemption prices set forth in the Pricing Certificate. The Secretary of the Board is hereby authorized and directed to cause to be delivered to the respective paying agent/registrar for the Refunded Bonds a certified copy of this Order calling the Refunded Bonds for redemption and a copy of the Pricing Certificate. The delivery of this Order and the Pricing Certificate to such paying agent/registrar shall constitute the giving of notice of redemption to the respective paying agent/registrar for the Refunded Bonds and such paying agent/registrar is hereby authorized and directed to give notice of redemption to the owners of the Refunded Bonds in accordance with the requirements of the order authorizing the issuance thereof.

ARTICLE XIII

CONTINUING DISCLOSURE UNDERTAKING

Section 13.01. Definitions of Continuing Disclosure Terms. As used in this Article, the following terms have the meanings assigned to such terms below:

“Financial Obligation” means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities 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.

Section 13.02. Annual Reports. (a) The District will provide certain updated financial information and operating data annually to the MSRB. The information to be updated includes financial information and operating data with respect to the District of the general type included in the Official Statement being the information described in the Pricing Certificate (such information being the "Annual Operating Report"). The District will additionally provide financial statements of the District (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the Pricing Certificate 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. The

District will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months after the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2021. The District may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the District shall provide notice that the audited Financial Statements are not available and shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

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

(c) The 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 if it is available from the MSRB) that has theretofore been provided to the MSRB or has been filed with the SEC.

Section 13.03. Event Notices. (a) The District shall provide 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 the occurrence of the event:

- (i) principal and interest payment delinquencies;
- (ii) nonpayment related defaults, if material;
- (iii) unscheduled draws on debt service reserves reflecting financial difficulties;
- (iv) unscheduled draws on credit enhancements reflecting financial difficulties;
- (v) substitution of credit or liquidity providers, or their failure to perform;
- (vi) 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;
- (vii) modifications to rights of Owners, if material;
- (viii) bond calls, if material and tender offers;
- (ix) defeasance;

(x) release, substitution, or sale of property securing repayment of the Bonds, if material;

(xi) rating changes;

(xii) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;

(xiii) 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;

(xiv) appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;

(xv) 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

(xvi) 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 clause (xii) 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 of business of the District and (B) the District intends the words used in the immediately preceding clauses (xv) and (xvi) in this Section and in the definition of Financial Obligation in Section 12.01 to have the meanings ascribed to them in SEC Release No. 34-83885 dated August 20, 2018.

(b) 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 Section 13.02 of this Order by the time required by such Section.

Section 13.04. Limitations, Disclaimers and Amendments. (a) The District shall be obligated to observe and perform the covenants specified in this Article 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 made in accordance with Article XI that causes Bonds no longer to be Outstanding.

(b) The provisions of this Article are for the sole benefit of the Owners and beneficial owners of the Bonds, and nothing in this Article, 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 Article 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 Article 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 OWNER 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 WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS ARTICLE, 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.

(c) No default by the District in observing or performing its obligations under this Article shall comprise a breach of or default under this Order for purposes of any other provisions of this Order.

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

(e) The provisions of this Article 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 Article, 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 Owners of a majority in aggregate principal amount (or any greater amount required by any other provisions 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 Owners and beneficial owners of the Bonds. The provisions of this Article may also be amended from time to time or repealed by the District if the SEC amends or repeals the applicable provisions of the Rule or a court of final jurisdiction determines that such provisions are invalid, but only if and to the extent that reservation of the District's right to do so would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in such offering. If the District so amends the provisions of this Article, it shall include with any amended financial information

or operating data next provided in accordance with Section 13.02 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. Filings with MSRB. All financial information, operating data, financial statements, notices, and other documents provided to the MSRB in accordance with this Article XIII shall be provided in an electronic format prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

Section 13.06. Amendments to the Rule. In the event the Authorized Officer, in consultation with Bond Counsel and the District's financial advisor, determines that it is necessary or desirable to amend the provisions of Article XIII in order to facilitate compliance with amendments to the Rule and related guidance from the SEC, the Authorized Officer may make such changes in the Pricing Certificate for the Bonds.

ARTICLE XIV

PERMANENT SCHOOL FUND GUARANTEE

Section 14.01. Permanent School Fund Guarantee. If the District receives approval from the Texas Commissioner of Education (the "Commissioner") for payment of the principal of and interest on the Bonds to be guaranteed by the Permanent School Fund of the State of Texas, subject to compliance with the Texas Education Agency's rules and regulations, the provisions of this Section 14.01 shall apply to the Bonds. If the Bonds are defeased, the guarantee of the Bonds will be removed in its entirety and, in case of default and in accordance with Texas Education Code §45.061, the Comptroller of Public Accounts will withhold the amount paid, plus interest, from the first state money payable to the District in the following order: foundation school fund, available school fund. In connection with the guarantee of the Bonds by the Permanent School Fund, the District, hereby certifies and covenants that:

(a) a certified copy of this Order and the Pricing Certificate, and copies of the Official Statement shall be furnished to the Division of State Funding, School Facilities and Transportation, within ten (10) calendar days following the execution of the Pricing Certificate;

(b) following any determination by the District that it is or will be unable to pay maturing or matured principal or interest on the Bonds, the District will take all action required by Subchapter C of Chapter 45 of the Texas Education Code, as amended, including, but not limited to, the giving of timely notice of such determination to the Commissioner; and

(c) the District will notify the Division of State Funding in writing within ten (10) calendar days of the defeasance of any guaranteed Bonds.

ARTICLE XV

AMENDMENTS TO ORDER AND PRICING CERTIFICATE

Section 15.01. Amendments to Order and Pricing Certificate. (a) The District reserves the right to amend this Order or the Pricing Certificate, or both, without the consent of or notice

to any registered owners of the Bonds in any manner not detrimental to the interest of the Owners for the purpose of curing any ambiguity, inconsistency, manifest error, formal defect or omission in the Order or the Pricing Certificate, or both.

(b) The District reserves the right, but only with the written consent of the Owners of a majority in aggregate principal amount and Maturity Amount of the Bonds then outstanding, to amend, add to, or rescind any of the provisions of the Order or the Pricing Certificate, or both.

(c) Without the consent of the Owners of all of the Bonds then outstanding, no amendment, addition or rescission may (i) extend the time or times of payment of the principal of and interest on the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds, (ii) reduce the principal amount and Maturity Amount thereof, the redemption price, or the rate of interest or yield to maturity thereon, or in any other way modify the terms of payment of the principal of and interest on the Current Interest Bonds and the Maturity Amount of the Capital Appreciation Bonds; (ii) give any preference to any Bonds over any other Bond, or (iii) reduce the aggregate principal amount and Maturity Amount of Bonds required to be held by Owners for consent to any such amendment, addition or rescission.

(d) The Authorized Officer, in consultation with the District's bond counsel, is hereby authorized and directed to approve such nonsubstantive changes to this Order or to the Pricing Certificate as may be required by the Attorney General of Texas in his approval of the Bonds herein authorized.

ARTICLE XVI

MISCELLANEOUS

Section 16.01. Partial Invalidity. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 16.02. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the District or any person executing any Bonds.

Section 16.03. Related Matters. To satisfy in a timely manner all of the District's obligations under this Order, the President or Vice President of the Board and the Secretary of the Board and all other appropriate officers and agents of the District are hereby authorized and directed to do any and all things necessary and/or convenient to carry out the terms and purposes of this Order.

Section 16.04. Force and Effect. This Order shall be in full force and effect from and after its final passage, and it is so ordered.

Section 16.05. Appointment of Bond Counsel. Bracewell LLP, San Antonio, Texas (the "Bond Counsel"), is hereby confirmed as the Bond Counsel for the District and is hereby authorized to take preliminary action with respect to the issuance of the Bonds. Bond Counsel

will assist the District, and consult with the Financial Advisor, as appropriate, in the preparation of the required financing documents, including a preliminary and a final official statement (or a bank private placement memorandum), each of these documents to be deemed final by an Authorized Officer as provided in Section 7.01(b), and coordinate the sale of the Bonds with the national rating services, and the Texas Education Agency, and will otherwise coordinate the financial aspects relating to this transaction to ensure that the District receives the lowest possible interest rate on the Bonds from the underwriters and to comply with all regulations and rules promulgated by the Municipal Securities Rule Making Board.

SIGNATURES TO FOLLOW

[The remainder of this page intentionally left blank]

PASSED, APPROVED AND EFFECTIVE this 17th day of July 2024.

BOARD OF TRUSTEES
SOUTH SAN ANTONIO INDEPENDENT
SCHOOL DISTRICT

SCHEDULE I

REFUNDED BOND CANDIDATES

The Refunded Bond Candidates are identified below. The Authorized Officer is authorized to select from the Refunded Bond Candidates the maturities and the principal amounts thereof to be redeemed at a redemption price equal to the principal amount thereof with accrued and unpaid interest thereon to the redemption date therefor, and to establish the redemption dates therefor, all in accordance and compliance with the parameters, terms and provisions set forth in this Order.

Issue

Unlimited Tax Refunding Bonds, Series 2014

South San Antonio Independent School District

Preliminary Refunding Analysis and Initial Bond Election Discussion

July 10, 2024

STRICTLY PRIVATE AND CONFIDENTIAL



Capital Markets

Richard Acosta
Director

RBC Capital Markets, LLC
303 Pearl Parkway
Suite 220
San Antonio, TX 78215

Tel: (210) 805-1148
Fax: (210) 805-1119

richard.acosta@rbccm.com

Table of Contents

Section 1 Current Market Review

Section 2 Financing Considerations

Current Market Review

Section 1



Capital
Markets

Current Market Review

Economic Update

U.S. Economic Overview

- US shares posted a mixed performance last week, with the DJIA and S&P500 declining 0.1% while the Nasdaq gained 0.2%.
- GDP grew at an annualized rate of 1.4% during the first quarter, up from 1.3% in the second reading as expected.
- The GDP price index came in higher than forecast for the first quarter, rising from 3.0% to 3.1%.
- May's PCE price index rose an annualized 2.6% as expected, down from 2.7% in April; core rose 2.6% as forecast, down from 2.8% in April.
- The week ahead brings ISM surveys, jobless claims, durable goods, ADP, FOMC minutes, and the June employment report.
- Non-farm payrolls are seen rising 190k in June, down from 272k in May; the unemployment rate is expected to hold steady at 4.0%.

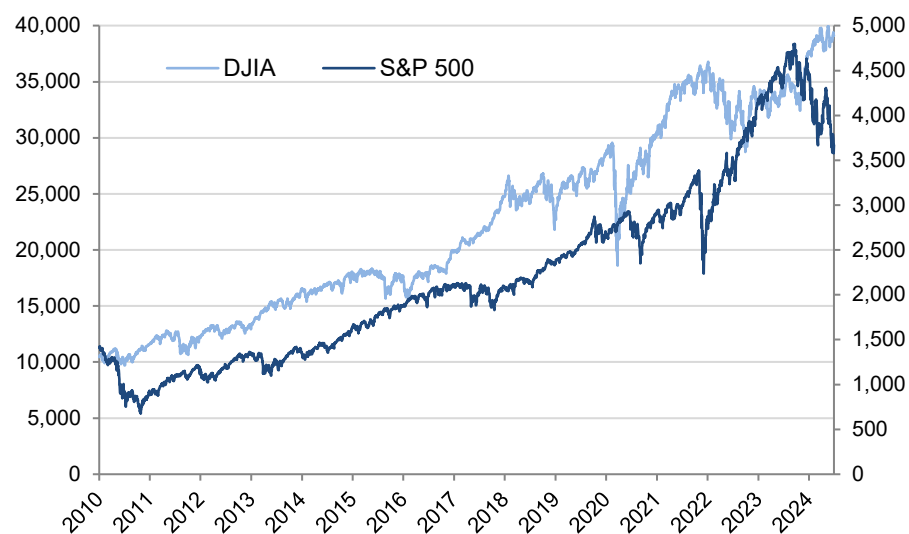
RBC Economic Outlook and Interest Rate Forecasts⁽¹⁾

	Q1'24	Q2'24	Q3'24	Q4'24	Q1'25
Real GDP (QoQ)	1.60	2.50	1.00	1.20	1.80
Core Inflation (YoY)	3.20	3.40	3.10	2.80	2.20
Fed Funds*	5.38	5.38	5.38	5.13	4.88
2-Year Notes	4.66	4.80	4.95	4.75	4.65
5-Year Notes	4.28	4.40	4.50	4.35	4.30
10-Year Notes	4.27	4.40	4.40	4.25	4.20
30-Year Bonds	4.41	4.55	4.50	4.45	4.50

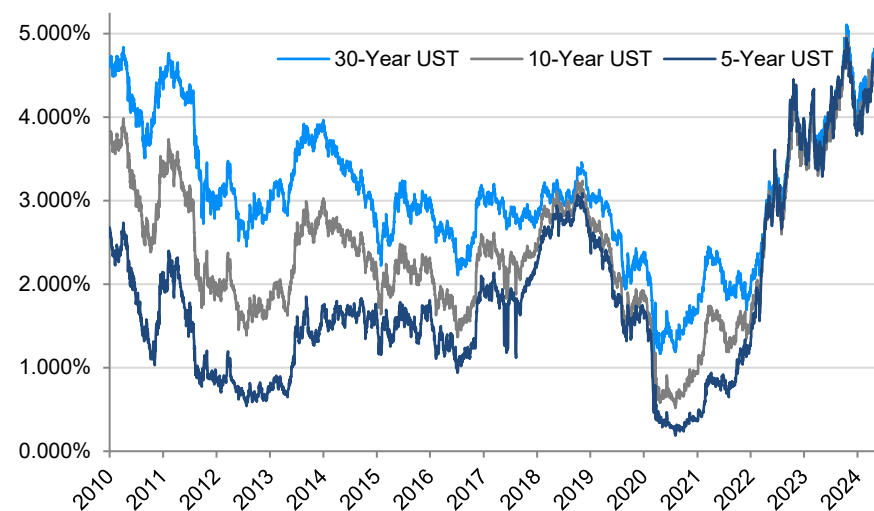
⁽¹⁾ RBC Rate and Economic Forecast as of June 7, 2024.

*Top of 25 basis point range.

U.S. Equity Market



U.S. Treasury Rates



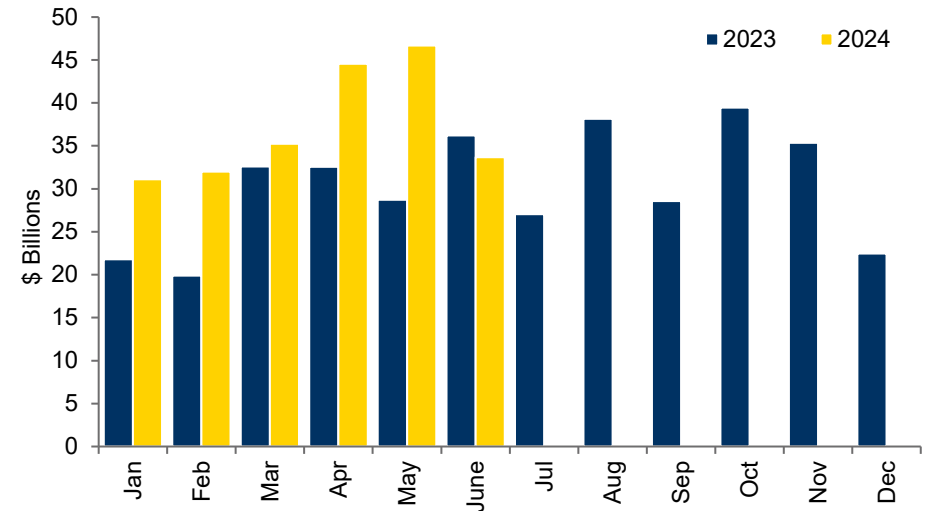
Current Market Review

Municipal Market Update

Municipal Market Overview

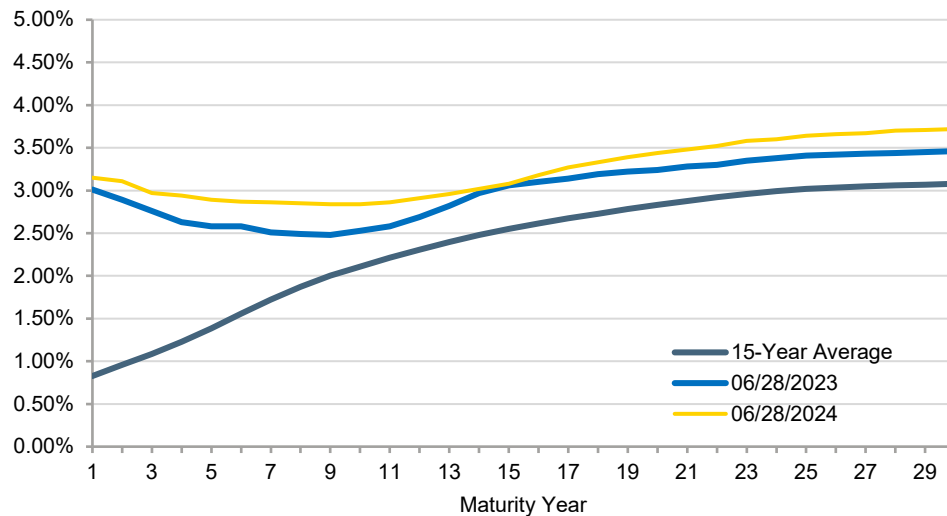
- **2023 Municipal Supply:** \$362 billion
- **2024 Municipal Supply (Forecast):** \$375 billion
- Municipal issuance totaled \$12.8bn last week, bringing June's volume to \$47.3bn – the heaviest month so far this year.
- Year-to-date issuance stands at \$236bn, up 37% from last year's pace; average weekly supply stands at \$8.7bn.
- Many of the larger new issues faced headwinds last week, with notable scale cuts seen from retail to preliminary pricing.
- June's new-issue volume eclipsed \$42bn of redemptions/reinvestment cash, equating to \$5.4bn of net-positive supply for the month.
- The primary market will be quiet this week, but issuance is building starting in the second week of July and will remain elevated for the rest of the summer.
- The SIFMA index reset at 3.88% last week, down from 4.09%; TEMM funds reported \$661mm of inflows last week.

2023 – 2024 Monthly Supply* (\$ Billions)

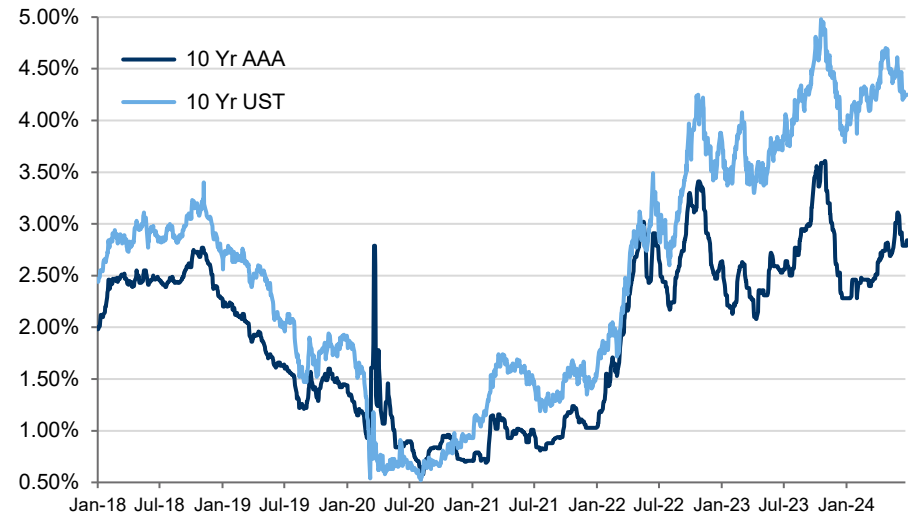


* Publicly offered municipal debt; excludes private placements.

Current MMD Curve in Context



Tax-Exempt and Taxable Yield Trends: January 1, 2018 - Present



Current Market Review

BBI 20 Index and Municipal Fund Flows

Bond Buyer 20 GO Bond Index Since 1961

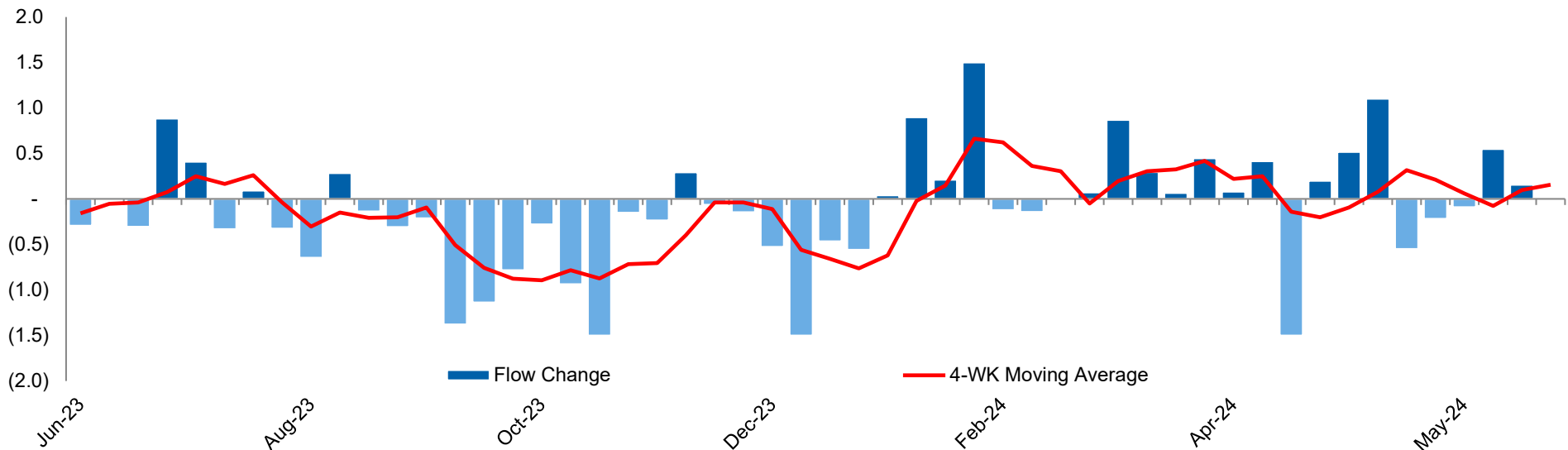


% of Time in Each Range Since 1961

Yield Range		
Less than 3.50%	14.48%	
3.50% - 4.00%	12.24%	
4.01% - 4.50%	11.00%	
4.51% - 5.00%	9.13%	
5.01% - 5.50%	12.73%	
5.51% - 6.00%	8.86%	
6.01% - 6.50%	6.86%	
6.51% - 7.00%	6.26%	
7.01% - 7.50%	5.65%	
7.51% - 8.00%	3.33%	
Greater than 8.00%	9.46%	
Total	100.00%	

Today's 3.93% level is lower than 74.94% of historical rates since January 1961.

Lipper Municipal Fund Flows



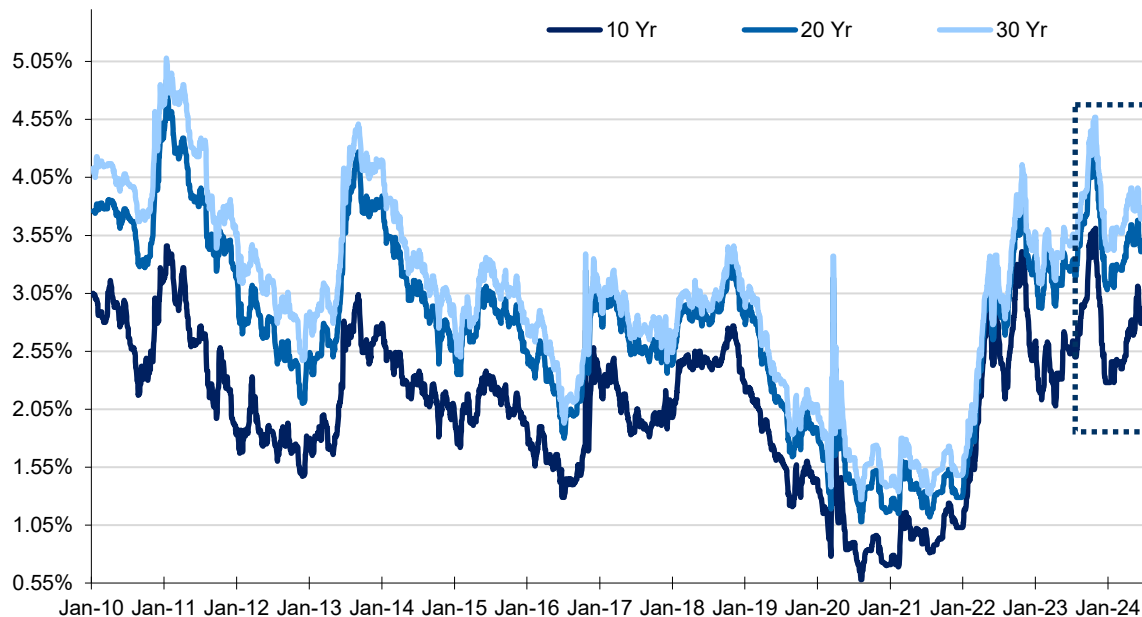
Source: Lipper for the week ended July 1, 2024

Current Market Review

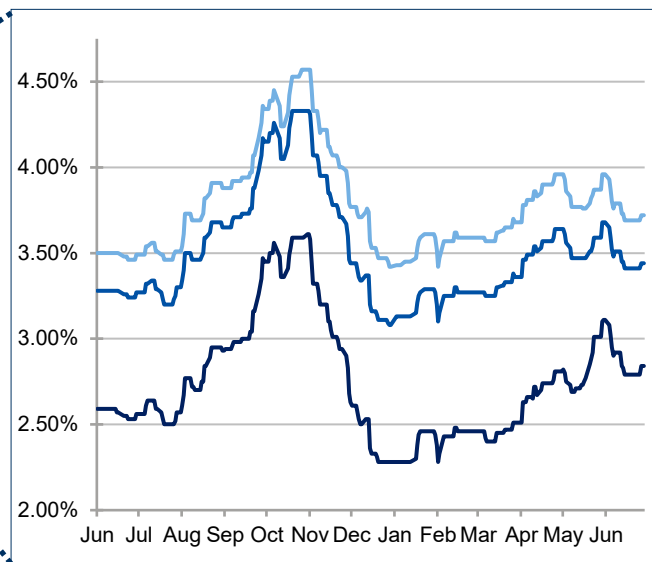
Municipal Market Data – 30 Year "AAA" Rates

After closing at 3.69% the previous week, the 30-year "AAA" MMD increased 3bp from June 21 – June 28, closing at a rate of 3.72%.

"AAA" MMD January 1, 2010 to Present



Shift in "AAA" MMD Since June 2023



January 1, 2010 to Present

	10-Year	20-Year	30-Year
Maximum	3.610%	4.890%	5.080%
Minimum	0.580%	1.080%	1.270%
Current	2.840%	3.440%	3.720%

Shift in 30-year "AAA" MMD

	2017	2018	2019	2020	2021	2022	2023
	-0.51%	0.47%	-0.93%	-0.70%	0.10%	2.09%	-0.16%

June 1, 2023 to Present

	10 Yr	20 Yr	30 Yr
Maximum	3.610%	4.330%	4.570%
Minimum	2.280%	3.080%	3.420%
Average	2.752%	3.506%	3.782%

Source: TM3, Thomson Reuters
 10, 20, and 30 year "AAA" MMD shown to represent different average lives of municipal transactions
 Rates as of June 28, 2024

Financing Considerations

Section 2



Capital
Markets

Financing Considerations

Unlimited Tax Debt | Summary Profile ("A / A-")

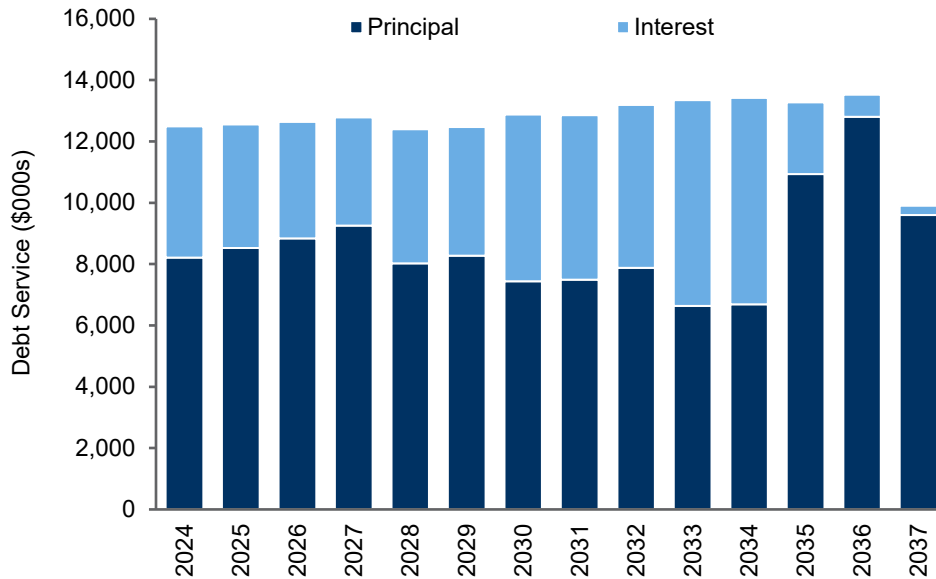
South San Antonio ISD Debt Profile

Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure	Use of Proceeds
U/L Tax Sch Bldg Bds Ser 2005	\$40,500,000	\$7,510,000	N/A	N/A	08/15/2030	Fixed Rate	School Building
U/L Tax Sch Bldg Bds Ser 2010 (Subsidy)	9,785,000	9,785,000	N/A	N/A	08/15/2027	Fixed Rate	School Building
U/L Tax Sch Bldg Bds Ser 2010	22,116,909	13,974,710	N/A	N/A	08/15/2035	Fixed Rate	School Building
U/L Tax Ref Bds Ser 2013	18,815,000	6,990,000	3.000% - 4.000%	05/01/2024	08/15/2035	Fixed Rate	Refunding
U/L Tax Ref Bds Ser 2014	25,835,000	24,140,000	4.000% - 5.000%	08/15/2024	08/15/2037	Fixed Rate	Refunding
U/L Tax Ref Bds Ser 2019A	11,460,000	10,015,000	N/A	N/A	08/15/2029	Fixed Rate	Refunding
U/L Tax Ref Bds Ser 2019C	9,185,000	370,000	N/A	N/A	08/15/2029	Fixed Rate	Refunding
U/L Tax Ref Bds Taxable Ser 2019B	18,360,000	18,240,000	4.000%	08/15/2030	08/15/2034	Fixed Rate	Refunding
U/L Tax Ref Bds Ser 2020	5,340,000	5,340,000	N/A	N/A	08/15/2031	Fixed Rate	Refunding
U/L Tax Ref Bds Ser 2022	24,220,000	24,220,000	3.000% - 4.000%	08/15/2031	08/15/2037	Fixed Rate	Refunding
Total	\$185,616,909	\$120,584,710					

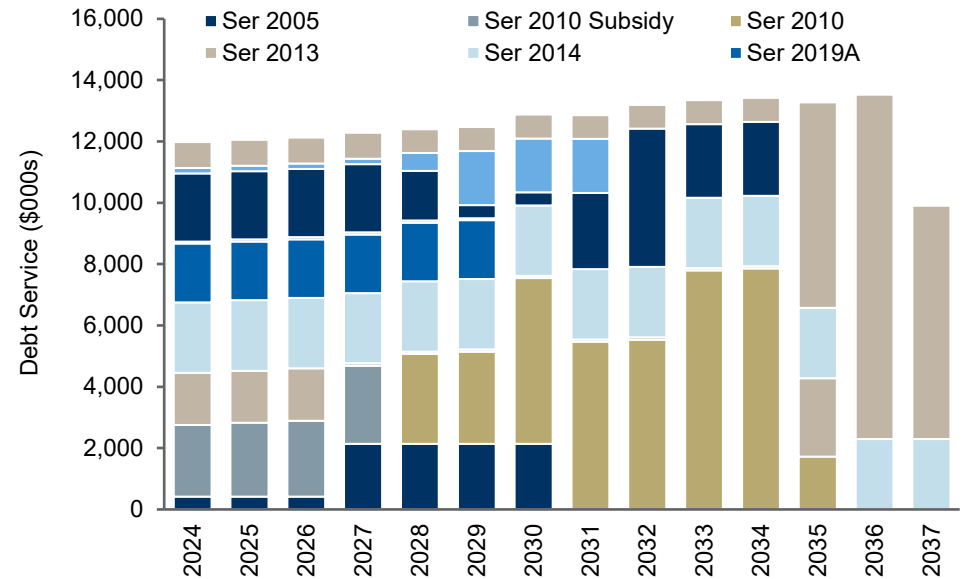
Note: Includes Interest Subsidy of the Series 2010 Bonds

Refunding Candidates

Outstanding Unlimited Tax Debt by Principal and Interest



Outstanding Unlimited Tax Debt by Series



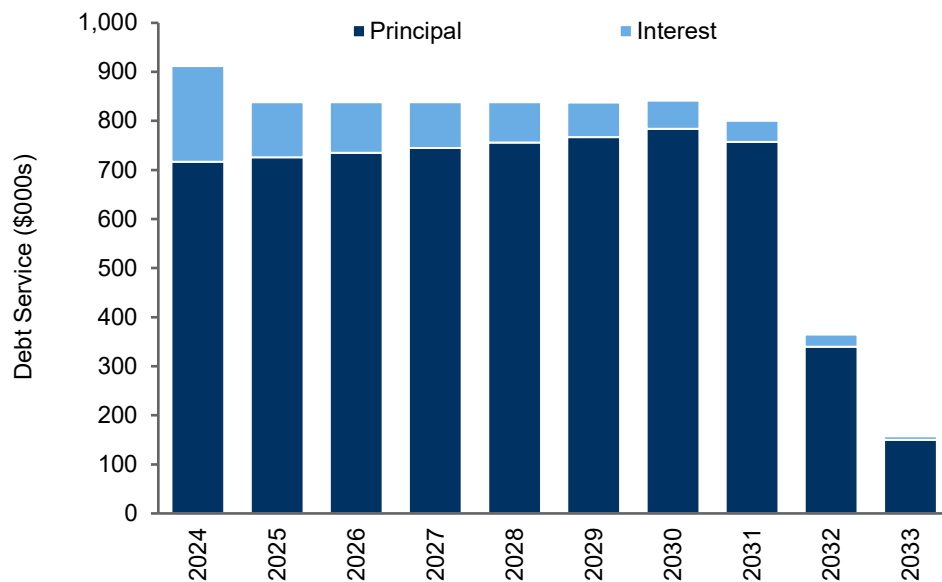
Financing Considerations

Maintenance Tax Debt | Summary Profile ("A / A-")

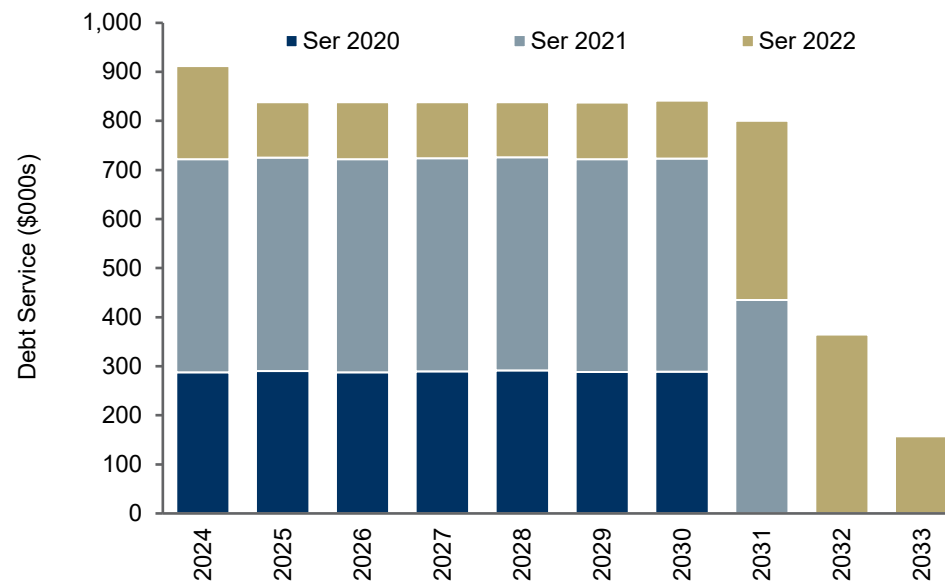
South San Antonio ISD Debt Profile

Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure	Use of Proceeds
Mtc Tax Notes Ser 2020	2,000,000	1,925,000	0.920% - 1.450%	05/01/2024	08/15/2030	Fixed Rate	School Building
Mtc Tax Notes Ser 2021	4,000,000	3,237,000	1.000% - 1.830%	05/01/2024	08/15/2031	Fixed Rate	Maintenance Expenses
Mtc Tax Notes Ser 2022	4,985,000	1,315,000	5.000%	08/15/2031	08/15/2033	Fixed Rate	Facility Improvements
Total	\$10,985,000	\$6,477,000					

Outstanding Maintenance Tax Debt by Principal and Interest



Outstanding Maintenance Tax Debt by Series



Financing Considerations

Tax-Exempt Current Refunding Analysis

Summary of Assumptions

Current refunding of the District's debt listed below on a tax-exempt basis to create level debt service savings. The refunding assumes current PSF rates with the District's "A / A-" ratings. The refunding bonds assume level savings and have substantially the same structure, maturity, and debt service schedule as the refunded bonds.

Refunding Candidates

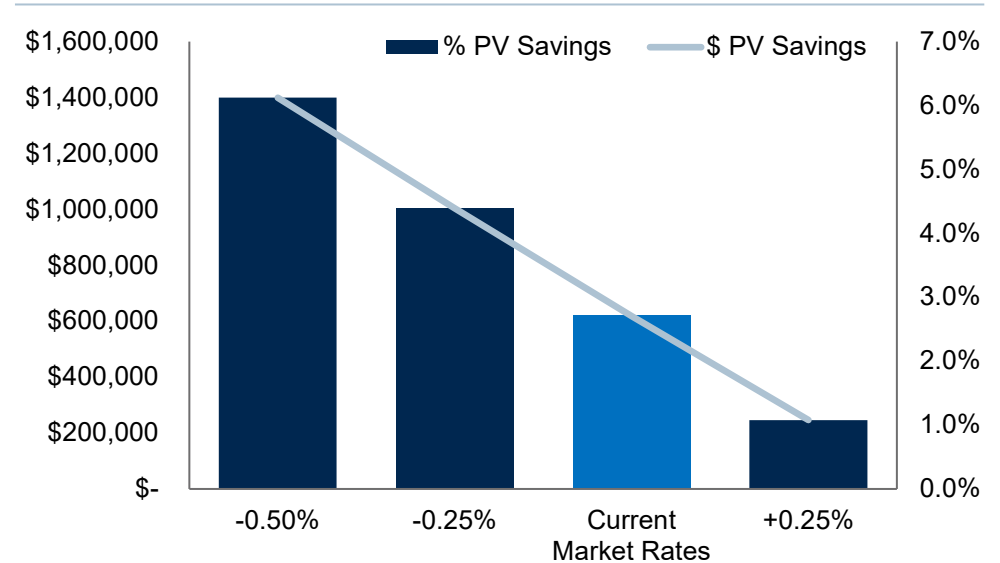
Series	Maturities to be Refunded	Refunded Par Amount	Coupon Range	Call Date	Call Price
U/L Tax Ref Bds Ser 2014	2025 - 2037	\$22,840,000	4.000% - 5.000%	08/15/2024	100%
Total		\$22,840,000			

Note: 2025 Refunding is partially being refunded for effective structuring

Refunding Results

Rates as of	04/24/2024	06/05/2024	07/03/2024
Refunded Par Amount	\$22,840,000	\$22,840,000	\$22,840,000
Avg Coupon of Refunded Bonds	4.06%	4.06%	4.06%
True Interest Cost	3.27%	3.79%	3.64%
Arbitrage Yield	3.09%	3.42%	3.26%
Escrow Yield	0.00%	0.00%	0.00%
Net Debt Service Savings	\$665,275	\$522,200	\$778,950
Avg Annual Debt Service Savings	\$60,480	\$40,169	\$59,919
Present Value Savings (\$)	\$1,057,233	\$407,338	\$618,225
Present Value Savings (%)	4.63%	1.78%	2.71%
Negative Arbitrage	\$39,663	\$39,663	\$0
Neg Arb as % of PV Savings	3.75%	9.74%	0.00%

Sensitivity Analysis



Preliminary; subject to change. As of July 3, 2024.

Financing Considerations

Tax-Exempt Current Refunding Analysis

Cash Flow Savings

Date (8/31)	Prior Debt Service	Refunding Debt Service	Debt Service Savings	Present Value Savings
2025	\$2,300,200	\$2,240,250	\$59,950	\$57,091
2026	2,295,400	2,235,750	59,650	55,027
2027	2,293,600	2,233,500	60,100	53,722
2028	2,294,600	2,233,250	61,350	53,153
2029	2,298,200	2,239,750	58,450	49,042
2030	2,294,200	2,232,500	61,700	50,211
2031	2,296,200	2,237,000	59,200	46,569
2032	2,296,400	2,237,500	58,900	44,915
2033	2,293,800	2,234,000	59,800	44,223
2034	2,298,400	2,241,500	56,900	40,787
2035	2,294,800	2,234,250	60,550	42,122
2036	2,298,200	2,237,750	60,450	40,794
2037	2,293,200	2,231,250	61,950	40,567
Total	\$29,847,200	\$29,068,250	\$778,950	\$618,225

Financing Considerations

Preliminary Issuance Timetable

South San Antonio ISD Unlimited Tax Refunding Bonds, Series 2024

June							July							August							September						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
						1		1	2	3	4	5	6					1	2	3	1	2	3	4	5	6	7
2	3	4	5	6	7	8	7	8	9	10	11	12	13	4	5	6	7	8	9	10	8	9	10	11	12	13	14
9	10	11	12	13	14	15	14	15	16	17	18	19	20	11	12	13	14	15	16	17	15	16	17	18	19	20	21
16	17	18	19	20	21	22	21	22	23	24	25	26	27	18	19	20	21	22	23	24	22	23	24	25	26	27	28
23	24	25	26	27	28	29	28	29	30	31				25	26	27	28	29	30	31	29	30					
30																											

 Denotes Federal Holiday

<u>Date</u>	<u>Action</u>
06/28	Apply for PSF
07/12	Draft of Preliminary Official Statement ("POS") sent for review
07/17	Board Meeting to Approve Parameter Sale
07/19	Comments Due on Draft of POS
07/22	POS Sent to Rating Agency
07/25	Draft of POS sent to group for review
07/29-08/02	Rating Agency Call
08/02	Comments Due on Draft of POS
08/06	Due Diligence Call
08/07	Post POS

Estimated Bond Capacity

Summary of Assumptions for Future Bond Capacity

- **Assumes South San Antonio ISD conducts a bond election in 2025.**
- Assumes the District's I&S rate for 2023/24 is \$0.4990 per \$100 Valuation.
- Assumes The District receives ASAHE funds in the estimated amounts shown on an annual basis until the maturity of its current debt.
- Assumes no growth in current ADA of 6,454.
- Assumes bonds issued in FYE 2026 following the bond election in FYE 2025.
- Assumes a tax collection rate of approximately 96%.
- Assumes a 5% interest rate to be conservative in today's volatile rate environment.
- For analysis purposes, we assumed a 30-year repayment period.

Scenario 1 - \$52,500,000:

- Assumes District' Taxable Assessed Valuation grows at an annual rate of 1.50% for the next 30 years.

Scenario 2 - \$60,300,000:

- Assumes District' Taxable Assessed Valuation grows at an annual rate of 3.00% for the next 5 years, and then no growth thereafter.

Scenario 3 - \$75,800,000:

- Assumes District' Taxable Assessed Valuation grows at an annual rate of 5.93% for the next 5 years, and then no growth thereafter. This growth rate is the District's average TAV growth rate for the past 5 years.

Scenario 1 – 1.50% Annual TAV Growth for 30 years - \$52.5MM New Money Issuance

South San Antonio Independent School District I&S Tax Rate Impact Analysis										
50-Cent I&S Tax Rate Capacity										
FYE (8/31)	TAV	TAV Growth	Existing Debt Service	Current Estimated I&S Tax Rate	Less: Anticipated Annual ASAHE State Aid	Net Estimated Annual Debt Service	Projected I&S Tax Rate	Estimated \$52.5MM New Money Bond Sale	Post-New Money Sale Debt Service	Projected I&S Tax Rate
2024	\$2,641,339,709		\$12,489,192	\$0.4925	\$2,172,864	\$10,316,328	\$0.4068		\$10,316,328	\$0.4990
2025	2,680,959,805	1.50%	12,556,592	0.4879	2,185,057	10,371,534	0.4030		10,371,534	0.4030
2026	2,721,174,202	1.50%	12,631,192	0.4835	2,198,554	10,432,638	0.3994	\$2,625,000	13,057,638	0.4998
2027	2,761,991,815	1.50%	12,786,792	0.4822	2,226,704	10,560,087	0.3983	2,695,000	13,255,087	0.4999
2028	2,803,421,692	1.50%	12,397,800	0.4607	2,242,969	10,154,831	0.3773	3,301,500	13,456,331	0.5000
2029	2,845,473,017	1.50%	12,470,075	0.4565	2,256,045	10,214,030	0.3739	3,442,500	13,656,530	0.4999
2030	2,888,155,113	1.50%	12,876,000	0.4644	2,329,484	10,546,516	0.3804	3,314,750	13,861,266	0.4999
2031	2,931,477,439	1.50%	12,857,150	0.4569	2,326,074	10,531,076	0.3742	3,536,250	14,067,326	0.4999
2032	2,975,449,601	1.50%	13,192,550	0.4619	2,386,753	10,805,797	0.3783	3,474,750	14,280,547	0.4999
2033	3,020,081,345	1.50%	13,343,550	0.4602	2,414,071	10,929,479	0.3770	3,563,750	14,493,229	0.4999
2034	3,065,382,565	1.50%	13,414,150	0.4558	2,426,844	10,987,306	0.3734	3,725,750	14,713,056	0.5000
2035	3,111,363,304	1.50%	13,267,950	0.4442	2,400,394	10,867,556	0.3638	4,066,750	14,934,306	0.5000
2036	3,158,033,753	1.50%	13,520,300	0.4460	2,446,048	11,074,252	0.3653	4,082,250	15,156,502	0.4999
2037	3,205,404,259	1.50%	9,904,900	0.3219	1,791,962	8,112,938	0.2636	4,092,500	12,205,438	0.3966
2038	3,253,485,323	1.50%					0.0000	3,407,500	3,407,500	0.1091
2039	3,302,287,603	1.50%					0.0000	3,406,750	3,406,750	0.1075
2040	3,351,821,917	1.50%					0.0000	3,407,500	3,407,500	0.1059
2041	3,402,099,246	1.50%					0.0000	3,409,500	3,409,500	0.1044
2042	3,453,130,735	1.50%					0.0000	3,407,500	3,407,500	0.1028
2043	3,504,927,696	1.50%					0.0000	3,411,500	3,411,500	0.1014
2044	3,557,501,611	1.50%					0.0000	3,411,000	3,411,000	0.0999
2045	3,610,864,135	1.50%					0.0000	3,411,000	3,411,000	0.0984
2046	3,665,027,097	1.50%					0.0000	3,411,250	3,411,250	0.0970
2047	3,720,002,504	1.50%					0.0000	3,411,500	3,411,500	0.0955
2048	3,775,802,541	1.50%					0.0000	3,406,500	3,406,500	0.0940
2049	3,832,439,579	1.50%					0.0000	3,411,250	3,411,250	0.0927
2050	3,889,926,173	1.50%					0.0000	3,410,000	3,410,000	0.0913
2051	3,948,275,066	1.50%					0.0000	3,407,750	3,407,750	0.0899
2052	4,007,499,192	1.50%					0.0000	3,409,250	3,409,250	0.0886
2053	4,067,611,680	1.50%					0.0000	3,409,000	3,409,000	0.0873
2054	4,128,625,855	1.50%					0.0000	3,406,750	3,406,750	0.0860
2055	4,190,555,243	1.50%					0.0000	3,407,250	3,407,250	0.0847
Total			\$177,708,191		\$31,803,825	\$145,904,366		\$103,283,500	\$249,187,866	

Scenario 2 – 3.00% Annual TAV Growth for 5 years - \$60.3MM New Money Issuance

South San Antonio Independent School District I&S Tax Rate Impact Analysis										
50-Cent I&S Tax Rate Capacity										
FYE (8/31)	TAV	TAV Growth	Existing Debt Service	Current Estimated I&S Tax Rate	Less: Anticipated Annual ASAHE State Aid	Net Estimated Annual Debt Service	Projected I&S Tax Rate	Estimated \$60.3MM New Money Bond Sale	Post-New Money Sale Debt Service	Projected I&S Tax Rate
2024	\$2,641,339,709		\$12,489,192	\$0.4925	\$2,172,864	\$10,316,328	\$0.4068		\$10,316,328	\$0.4990
2025	2,720,579,900	3.00%	12,556,592	0.4808	2,185,057	10,371,534	0.3971		10,371,534	0.3971
2026	2,802,197,297	3.00%	12,631,192	0.4695	2,198,554	10,432,638	0.3878	\$3,015,000	13,447,638	0.4999
2027	2,886,263,216	3.00%	12,786,792	0.4615	2,226,704	10,560,087	0.3811	3,290,000	13,850,087	0.4999
2028	2,972,851,113	3.00%	12,397,800	0.4344	2,242,969	10,154,831	0.3558	4,111,250	14,266,081	0.4999
2029	3,062,036,646	3.00%	12,470,075	0.4242	2,256,045	10,214,030	0.3475	4,480,750	14,694,780	0.4999
2030	3,062,036,646	0.00%	12,876,000	0.4380	2,329,484	10,546,516	0.3588	4,149,000	14,695,516	0.4999
2031	3,062,036,646	0.00%	12,857,150	0.4374	2,326,074	10,531,076	0.3583	4,165,000	14,696,076	0.4999
2032	3,062,036,646	0.00%	13,192,550	0.4488	2,386,753	10,805,797	0.3676	3,887,000	14,692,797	0.4998
2033	3,062,036,646	0.00%	13,343,550	0.4539	2,414,071	10,929,479	0.3718	3,764,500	14,693,979	0.4999
2034	3,062,036,646	0.00%	13,414,150	0.4563	2,426,844	10,987,306	0.3738	3,710,250	14,697,556	0.5000
2035	3,062,036,646	0.00%	13,267,950	0.4514	2,400,394	10,867,556	0.3697	3,826,000	14,693,556	0.4999
2036	3,062,036,646	0.00%	13,520,300	0.4599	2,446,048	11,074,252	0.3767	3,623,250	14,697,502	0.5000
2037	3,062,036,646	0.00%	9,904,900	0.3370	1,791,962	8,112,938	0.2760	3,652,500	11,765,438	0.4002
2038	3,062,036,646	0.00%					0.0000	4,092,500	4,092,500	0.1392
2039	3,062,036,646	0.00%					0.0000	4,092,500	4,092,500	0.1392
2040	3,062,036,646	0.00%					0.0000	4,093,250	4,093,250	0.1392
2041	3,062,036,646	0.00%					0.0000	4,094,500	4,094,500	0.1393
2042	3,062,036,646	0.00%					0.0000	4,091,000	4,091,000	0.1392
2043	3,062,036,646	0.00%					0.0000	4,092,750	4,092,750	0.1392
2044	3,062,036,646	0.00%					0.0000	4,094,250	4,094,250	0.1393
2045	3,062,036,646	0.00%					0.0000	4,095,250	4,095,250	0.1393
2046	3,062,036,646	0.00%					0.0000	4,095,500	4,095,500	0.1393
2047	3,062,036,646	0.00%					0.0000	4,094,750	4,094,750	0.1393
2048	3,062,036,646	0.00%					0.0000	4,092,750	4,092,750	0.1392
2049	3,062,036,646	0.00%					0.0000	4,094,250	4,094,250	0.1393
2050	3,062,036,646	0.00%					0.0000	4,093,750	4,093,750	0.1393
2051	3,062,036,646	0.00%					0.0000	4,091,000	4,091,000	0.1392
2052	3,062,036,646	0.00%					0.0000	4,095,750	4,095,750	0.1393
2053	3,062,036,646	0.00%					0.0000	4,092,250	4,092,250	0.1392
2054	3,062,036,646	0.00%					0.0000	4,090,500	4,090,500	0.1392
2055	3,062,036,646	0.00%					0.0000	4,095,000	4,095,000	0.1393
Total			\$177,708,191		\$31,803,825	\$145,904,366		\$119,356,000	\$265,260,366	

Scenario 3 – 5.93% Annual TAV Growth for 5 years - \$75.8MM New Money Issuance

South San Antonio Independent School District I&S Tax Rate Impact Analysis										
50-Cent I&S Tax Rate Capacity										
FYE (8/31)	TAV	TAV Growth	Existing Debt Service	Current Estimated I&S Tax Rate	Less: Anticipated Annual ASAHE State Aid	Net Estimated Annual Debt Service	Projected I&S Tax Rate	Estimated \$75.8MM New Money Bond Sale	Post-New Money Sale Debt Service	Projected I&S Tax Rate
2024	\$2,641,339,709		\$12,489,192	\$0.4925	\$2,172,864	\$10,316,328	\$0.4068		\$10,316,328	\$0.4990
2025	2,797,971,154	5.93%	12,556,592	0.4675	2,185,057	10,371,534	0.3861		10,371,534	0.3861
2026	2,963,890,843	5.93%	12,631,192	0.4439	2,198,554	10,432,638	0.3667	\$3,790,000	14,222,638	0.4999
2027	3,139,649,570	5.93%	12,786,792	0.4242	2,226,704	10,560,087	0.3504	4,510,000	15,070,087	0.5000
2028	3,325,830,790	5.93%	12,397,800	0.3883	2,242,969	10,154,831	0.3181	5,809,000	15,963,831	0.5000
2029	3,523,052,555	5.93%	12,470,075	0.3687	2,256,045	10,214,030	0.3020	6,696,250	16,910,280	0.5000
2030	3,523,052,555	0.00%	12,876,000	0.3807	2,329,484	10,546,516	0.3118	6,364,000	16,910,516	0.5000
2031	3,523,052,555	0.00%	12,857,150	0.3801	2,326,074	10,531,076	0.3114	6,375,750	16,906,826	0.4999
2032	3,523,052,555	0.00%	13,192,550	0.3901	2,386,753	10,805,797	0.3195	6,104,750	16,910,547	0.5000
2033	3,523,052,555	0.00%	13,343,550	0.3945	2,414,071	10,929,479	0.3232	5,979,750	16,909,229	0.5000
2034	3,523,052,555	0.00%	13,414,150	0.3966	2,426,844	10,987,306	0.3249	5,918,750	16,906,056	0.4999
2035	3,523,052,555	0.00%	13,267,950	0.3923	2,400,394	10,867,556	0.3213	6,038,500	16,906,056	0.4999
2036	3,523,052,555	0.00%	13,520,300	0.3998	2,446,048	11,074,252	0.3274	5,834,750	16,909,002	0.5000
2037	3,523,052,555	0.00%	9,904,900	0.2929	1,791,962	8,112,938	0.2399	5,738,000	13,850,938	0.4095
2038	3,523,052,555	0.00%					0.0000	3,888,000	3,888,000	0.1150
2039	3,523,052,555	0.00%					0.0000	3,887,250	3,887,250	0.1149
2040	3,523,052,555	0.00%					0.0000	3,887,500	3,887,500	0.1149
2041	3,523,052,555	0.00%					0.0000	3,888,500	3,888,500	0.1150
2042	3,523,052,555	0.00%					0.0000	3,890,000	3,890,000	0.1150
2043	3,523,052,555	0.00%					0.0000	3,891,750	3,891,750	0.1151
2044	3,523,052,555	0.00%					0.0000	3,888,500	3,888,500	0.1150
2045	3,523,052,555	0.00%					0.0000	3,890,250	3,890,250	0.1150
2046	3,523,052,555	0.00%					0.0000	3,891,500	3,891,500	0.1151
2047	3,523,052,555	0.00%					0.0000	3,887,000	3,887,000	0.1149
2048	3,523,052,555	0.00%					0.0000	3,886,750	3,886,750	0.1149
2049	3,523,052,555	0.00%					0.0000	3,890,250	3,890,250	0.1150
2050	3,523,052,555	0.00%					0.0000	3,887,000	3,887,000	0.1149
2051	3,523,052,555	0.00%					0.0000	3,887,000	3,887,000	0.1149
2052	3,523,052,555	0.00%					0.0000	3,889,750	3,889,750	0.1150
2053	3,523,052,555	0.00%					0.0000	3,889,750	3,889,750	0.1150
2054	3,523,052,555	0.00%					0.0000	3,891,750	3,891,750	0.1151
2055	3,523,052,555	0.00%					0.0000	3,890,250	3,890,250	0.1150
Total			\$177,708,191		\$31,803,825	\$145,904,366		\$139,162,250	\$285,066,616	

Disclaimer

This presentation was prepared exclusively for the benefit of and internal use by the recipient for the purpose of considering the transaction or transactions contemplated herein. This presentation is confidential and proprietary to RBC Capital Markets, LLC ("RBCCM") and may not be disclosed, reproduced, distributed or used for any other purpose by the recipient without RBCCM's express written consent.

By acceptance of these materials, and notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, RBCCM, its affiliates and the recipient agree that the recipient (and its employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the tax treatment, structure or strategy of the transaction and any fact that may be relevant to understanding such treatment, structure or strategy, and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient relating to such tax treatment, structure, or strategy.

The information and any analyses contained in this presentation are taken from, or based upon, information obtained from the recipient or from publicly available sources, the completeness and accuracy of which has not been independently verified, and cannot be assured by RBCCM. The information and any analyses in these materials reflect prevailing conditions and RBCCM's views as of this date, all of which are subject to change.

To the extent projections and financial analyses are set forth herein, they may be based on estimated financial performance prepared by or in consultation with the recipient and are intended only to suggest reasonable ranges of results. The printed presentation is incomplete without reference to the oral presentation or other written materials that supplement it.

IRS Circular 230 Disclosure: RBCCM and its affiliates do not provide tax advice and nothing contained herein should be construed as tax advice. Any discussion of U.S. tax matters contained herein (including any attachments) (i) was not intended or written to be used, and cannot be used, by you for the purpose of avoiding tax penalties; and (ii) was written in connection with the promotion or marketing of the matters addressed herein. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.