

ORDER BY THE BOARD OF TRUSTEES OF GALVESTON INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE DEFEASANCE AND REDEMPTION OF CERTAIN OUTSTANDING BONDS; APPROVING AND AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; AUTHORIZING THE ENGAGEMENT OF A VERIFICATION AGENT; AND CONTAINING OTHER PROVISIONS RELATING THERETO

WHEREAS, Galveston Independent School District (the “District”) has heretofore issued its Unlimited Tax School Building Bonds, Series 2022 (the “Outstanding Bonds”) pursuant to an order adopted by the Board on June 22, 2022 and a pricing certificate executed pursuant thereto on August 2, 2022 (collectively, the “Outstanding Bond Order”); and

WHEREAS, pursuant to the Outstanding Bond Order, the District has the right to defease and redeem all or a portion of the Outstanding Bonds in advance of their stated maturities; and

WHEREAS, the District desires to defease and redeem a portion of the Outstanding Bonds as more specifically described in Section 3, herein, (the “Redeemed Bonds”) in advance of their stated maturities on the redemption date as more specifically described in Section 3, herein, (the “Redemption Date”), all as further set forth and determined in the a certificate of an authorized officer, a form of which is attached hereto as Exhibit A (the “Officer’s Certificate”); and

WHEREAS, the defeasance and redemption of the Redeemed Bonds will benefit the public by producing net present value debt service savings; and

WHEREAS, the Outstanding Bond Order authorizes the District to accomplish such defeasance and redemption by providing notice as required in the Outstanding Bond Order and (i) depositing with a qualified escrow agent (the “Escrow Agent”) or (ii) depositing directly with the paying agent/registrar for the Outstanding Bonds, lawfully available funds of the of the District and authorized escrowed securities to provide for the defeasance and redemption of the Outstanding Bonds on the Redemption Date; and

WHEREAS, the District desires to authorize the execution of an escrow agreement (the “Escrow Agreement”) to provide for the deposit of such lawfully available funds of the District and certain other securities in an amount sufficient to accomplish the discharge and final payment of the Redeemed Bonds on the Redemption Date, and to obtain a verification report from the verification agent (the “Verification Agent”) verifying the sufficiency of the amount initially deposited with the Escrow Agent to pay the principal of and interest on the Redeemed Bonds when due on the Redemption Date (the “Verification Report”); and

WHEREAS, upon the deposit of funds with the Escrow Agent as specified in the Verification Report, the District will have effectuated the defeasance of the Redeemed Bonds under Chapter 1207, Texas Government Code, as amended, and the Outstanding Bond Order, and the Redeemed Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid pursuant to the funds deposited with the Escrow Agent; and

WHEREAS, the Board hereby finds, determines, and declares that the meeting at which this Order is considered is open to the public, and that the public notice of the time, place, and

purpose of the meeting was given, as required by Chapter 551, Texas Government Code; now therefore,

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

Section 1. Findings. It is hereby found and determined that the matters and facts set out in the recitals of this Order are true and correct and incorporated herein for all purposes. All capitalized terms not otherwise defined in the recitals to this Order shall have the meanings set forth in the Outstanding Bond Order.

Section 2. Approval of Defeasance and Redemption of Redeemed Bonds; Approval of Use of Funds. It is hereby found and determined that it is in the best interest of the District to defease and redeem the Redeemed Bonds in a principal amount not to exceed \$1,275,000. The Board hereby authorizes the use of lawfully available funds (i) in an amount sufficient to provide for the payment of the principal of and interest on the Redeemed Bonds when due on the Redemption Date, as verified in the Verification Report, in order to accomplish the defeasance and redemption of the Redeemed Bonds and (ii) in an amount sufficient to pay any costs relating to the redemption and defeasance of the Redeemed Bonds. The lawfully available funds of the District utilized for the purposes described in this Section 2 shall not exceed \$1,400,000.

Section 3. Redemption Prior to Maturity of Redeemed Bonds. The District hereby authorizes the Superintendent or the Chief Financial Officer of the District (each an "Authorized Officer") to designate the portion of the Outstanding Bonds to be defeased and/or called for redemption prior to maturity on the Redemption Date as the Redeemed Bonds, with such Redeemed Bonds to be redeemed at a price of par plus accrued interest to the Redemption Date, and authorizes and directs notice of such defeasance and redemption to be given in accordance with the terms of the applicable Outstanding Bond Order. The designation of the Redeemed Bonds from the Outstanding Bonds and the Redemption Date(s) shall be made in the Officer's Certificate in substantially the form attached hereto as Exhibit A.

Section 4. Appointment of Escrow Agent; Approval of Escrow Agreement; Subscription for Securities. The District hereby appoints U.S. Bank Trust Company, National Association, Houston, Texas, as escrow agent (the "Escrow Agent") for the Redeemed Bonds. An escrow agreement (the "Escrow Agreement") specifying the duties and responsibilities of the District and the Escrow Agent in substantially the form attached to the Officer's Certificate as Exhibit OC-A, with such revisions as may be approved by the Authorized Officer as evidenced by his execution of the Escrow Agreement, is hereby approved. The Authorized Officer is hereby authorized to execute the Escrow Agreement on behalf of the District and to execute such documents and agreements in connection with the purchase of securities as may be necessary or desirable to effectuate the defeasance and redemption of the Redeemed Bonds as contemplated herein, and the submission of an application or solicitation for the acquisition of such securities is hereby approved.

Section 5. Appointment of Verification Agent. The District hereby authorizes the Authorized Officer to engage a Verification Agent in connection with the defeasance and redemption of the Redeemed Bonds.

Section 6. Yield Restriction. Amounts on deposit in the escrow fund for the Redeemed Bonds will be yield restricted to a yield that is not in excess of the yield on the Redeemed Bonds; provided that, if yield reduction payments are available under section 1.148-5(c) of the Regulations, the District may satisfy the yield restriction requirements by making yield reduction payments to the federal government.

Section 7. Related Matters. To satisfy in a timely manner all of the District's obligations under this Order, the Superintendent, the Chief Financial Officer, and all other appropriate officers and agents of the District are hereby authorized and directed to take all actions that are reasonably necessary to provide for the defeasance and redemption of the Redeemed Bonds, including, without limitation, providing required notices, paying any fees or expenses required in connection with the defeasance and redemption of the Redeemed Bonds and executing and delivering on behalf of the District all bonds, consents, receipts, requests, agreements and other documents as may be necessary to direct the application of funds of the District consistent with the provisions of this Order.

Section 8. No Personal Liability. No recourse shall be had for payment of principal of or interest on any Redeemed Bonds or for any claim based thereon against any member of the Board or employee of the District.

Section 9. Severability. If any provision, section, subsection, sentence, clause or phrase of this Order, or the application of same to any person or set of circumstances is for any reason held to be unconstitutional, void, invalid, or unenforceable, neither the remaining portions of this Order nor their application to other persons or sets of circumstances shall be affected thereby, it being the intent of the Board in adopting this Order that no portion hereof or provision or regulation contained herein shall become inoperative or fail by reason of any unconstitutionality, voidness, invalidity or unenforceability of any other portion hereof, and all provisions of this Order are declared to be severable for that purpose.

Section 10. Effective Date. This Order shall take effect immediately from and after its passage by the Board.

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PASSED, APPROVED AND EFFECTIVE on August 28, 2024.

Secretary, Board of Trustees
Galveston Independent School District

Chair, Board of Trustees
Galveston Independent School District

[SEAL]

EXHIBIT A

OFFICER'S CERTIFICATE

Re: Galveston Independent School District Unlimited Tax School Building Bonds, Series, 2022 (the "Bonds")

I, the undersigned [Superintendent/Chief Financial Officer] of the Galveston Independent School District (the "District"), do hereby make and execute this Officer's Certificate pursuant to a Order adopted by the Board of Trustees of the District on August 28, 2024 (the "Order") authorizing the defeasance and redemption of all or a portion of the above-referenced Bonds. Capitalized terms used in this Officer's Certificate shall have the meanings given such terms in the Order.

Section 1. Pursuant to the delegation contained in Section 3(a) of the Order, I hereby designate the following portion of the Bonds as the Redeemed Bonds and the following dates as the Redemption Date(s) for the Redeemed Bonds:

Unlimited Tax School Building Bonds, Series 2022

<u>Maturity Date</u>	<u>Principal Amount</u> ¹	<u>Redemption Date</u>
February 1, 2037	[\$1,275,000]	February 1, 2030

Section 2. To effectuate the defeasance and redemption of the Redeemed Bonds, the Authorized Officer is hereby authorized and directed to provide a letter of instruction or other notice to the Escrow Agent and/or Paying Agent/Registrar for the Redeemed Bonds.

Section 3. Pursuant to the delegation in Section 4 of the Order, the Escrow Agreement with U.S. Bank Trust Company, National Association, Houston, Texas is hereby approved in substantially the form attached hereto as Exhibit OC-A.

Section 5. The purchase of [SLGS/eligible escrowed securities] for the Escrow Fund (as defined in the Escrow Agreement) is hereby approved.

Section 6. Pursuant to the delegation contained in Section 5 of the Order, I hereby designate [] as Verification Agent for the Redeemed Bonds.

[Signature Page Follows]

¹ The final principal amount of the February 1, 2037 maturity that will be redeemed will be established by the Authorized Officer based on the interest rates on the escrowed securities and similar factors.

Executed this _____.

GALVESTON INDEPENDENT SCHOOL
DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT OC - A
ESCROW AGREEMENT
[Attached]

ESCROW AGREEMENT

THIS ESCROW AGREEMENT (this “Escrow Agreement”) dated for convenience _____, 2024, but effective on the Escrow Funding Date described herein, is made and entered into by and between GALVESTON INDEPENDENT SCHOOL DISTRICT, an independent school district duly created, organized and existing under the Constitution and laws of the State of Texas (together with any successor to its duties and functions, the “District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, as escrow agent (together with any successor or assign in such capacity, the “Escrow Agent”).

WHEREAS, the District has heretofore issued the obligations described in Exhibit A attached hereto (the “Outstanding Bonds”); and

WHEREAS, the District desires to defease certain Outstanding Bonds on [_____] 2024 and redeem the Outstanding Bonds (the “Redeemed Bonds”) in advance of their maturities on their redemption date as set forth in Exhibit A; and

WHEREAS, Chapter 1207.061, Texas Government Code, as amended, authorizes and empowers the District to deposit an amount of money sufficient to provide for the payment or redemption in whole or in in part without issuing refunding bonds, directly with a commercial bank or trust company; and

WHEREAS, on August 28, 2024, the governing body of the District has adopted an order authorizing, among other things, the defeasance and/or redemption of the Redeemed Bonds in an aggregate principal amount not to exceed \$1,275,000; and

WHEREAS, the governing body of the District has further determined to effectuate the defeasance of the Redeemed Bonds pursuant to this Escrow Agreement, under which provision is made for the safekeeping, investment, reinvestment, administration and disposition of certain funds of the District, so as to provide firm banking and financial arrangements for the discharge and final payment of the Redeemed Bonds;

NOW, THEREFORE, in consideration of the mutual undertakings, promises and agreements herein contained, and other good and valuable consideration, the receipt and sufficiency of which hereby are acknowledged, and to secure the full and timely payment of the principal of and interest on the Redeemed Bonds, the District and the Escrow Agent contract and agree as follows:

ARTICLE I DEFINITIONS AND INTERPRETATIONS

Section 1.01. Definitions. Unless otherwise expressly provided or unless the context clearly requires otherwise, the following terms shall have the respective meanings specified below for all purposes of this Escrow Agreement:

“Code” means the Internal Revenue Code of 1986, as amended, including applicable regulations and court decisions.

“District” means the Galveston Independent School District, and any successor to its duties and functions.

“Escrow Agent” means U.S. Bank Trust Company, National Association, in its capacity as escrow agent hereunder, and any successor in such capacity.

“Escrow Agreement” means this escrow agreement.

“Escrow Fund” means the fund created in Section 3.01 of this Escrow Agreement to be administered by the Escrow Agent pursuant to the provisions of this Escrow Agreement.

“Escrow Funding Date” means [REDACTED], 2024, the date on which the District will deposit with the Escrow Agent the cash and Escrowed Securities described in Section 2.01.

“Escrowed Securities” means: (1) direct non-callable obligations of the United States, including obligations that are unconditionally guaranteed by the United States, and (2) non-callable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, purchased for deposit into the Escrow Fund.

“Paying Agent for the Redeemed Bonds” means U.S. Bank Trust Company, National Association.

“Redeemed Bonds” means the District’s outstanding Unlimited Tax School Building Bonds, Series 2022 described in Exhibit A attached hereto.

“Report” means the verification report for the Bonds prepared by [REDACTED], relating to the defeasance of the Redeemed Bonds, and any subsequent report required by Section 5.02 and attached hereto as Exhibit C.

Section 1.02. Interpretations. The titles and headings of the articles and sections of this Escrow Agreement 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 the terms hereof. This Escrow Agreement and all of the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to achieve the intended purpose of providing for the defeasance of the Redeemed Bonds in accordance with applicable law.

ARTICLE II
DEPOSIT OF FUNDS AND ESCROWED SECURITIES

Section 2.01. Deposits with Escrow Agent; Acquisition of Escrowed Securities. On the Escrow Funding Date the District will deposit, or cause to be deposited, with the Escrow Agent the following:

- (a) Escrowed Securities more fully described in the Report; and
- (b) A beginning cash balance as provided in the Report.

ARTICLE III
CREATION AND OPERATION OF ESCROW FUND

Section 3.01. Escrow Fund. On the Escrow Funding Date the Escrow Agent will create on its books a special fund and irrevocable escrow to be known as the Galveston Independent School District Unlimited Tax School Building Bonds, Series 2022 Defeasance and Redemption Escrow Fund (the “Escrow Fund”) into which will be deposited the cash and Escrowed Securities described in Section 2.01. The Escrowed Securities, all proceeds therefrom, and all cash balances from time to time on deposit in the Escrow Fund shall be the property of the Escrow Fund and shall be applied only in strict conformity with the terms and conditions hereof. The Escrowed Securities, all proceeds therefrom and all cash balances from time to time on deposit in the Escrow Fund are hereby irrevocably pledged to the payment of the principal of and interest on the Redeemed Bonds payable from the Escrow Fund, which payment shall be made by timely transfers to the Paying Agent for the Redeemed Bonds of such amounts at such times as are provided in Section 3.02 hereof. When the final transfers have been made to the Paying Agent for the Redeemed Bonds for the payment of such principal of and interest on the Redeemed Bonds, any balance then remaining in the Escrow Fund for the Redeemed Bonds shall be transferred to the District, and the Escrow Agent shall thereupon be discharged from any further duties hereunder.

Section 3.02. Payment of Principal of and Interest on Redeemed Bonds. (a) The Escrow Agent is hereby irrevocably instructed to transfer to the Paying Agent for the Redeemed Bonds from the cash balance from time to time on deposit in the Escrow Fund the amounts required to pay the principal of and interest on the Redeemed Bonds at their respective maturity date or dates, as of which such Redeemed Bonds have been called for earlier redemption, and interest thereon due, in the amounts and at the times shown in the Report.

(b) Money transferred to and held by the Paying Agent for the Redeemed Bonds in accordance with the provisions hereof shall be held by the Paying Agent for the Redeemed Bonds as a separate fund for the account of the respective holders of the Redeemed Bonds in connection with which such money is held; provided, however, that money so held remaining unclaimed by the owners of such Redeemed Bonds for three (3) years after the dates on which payment was due shall be reported and disposed of by the Paying Agent for the Redeemed Bonds in accordance with the provisions of Title 6 of the Texas Property Code.

Section 3.03. Sufficiency of Escrow Fund. In reliance on the Report, the District represents that the successive receipts of the principal of and interest on the Escrowed Securities will assure that the cash balance on deposit from time to time in the Escrow Fund will be at all times sufficient to provide money for transfer to the Paying Agent for the Redeemed Bonds at the times and in the amounts required to pay the principal of and interest on the Redeemed Bonds as such principal and interest becomes due and payable.

Section 3.04. Escrow Fund. The Escrow Agent at all times shall hold the Escrow Fund, the Escrowed Securities and all other assets of the Escrow Fund wholly segregated from all other funds and securities on deposit with the Escrow Agent; it shall never allow the Escrowed Securities or any other assets of the Escrow Fund to be commingled with any other funds or securities of the Escrow Agent; and it shall hold and dispose of the assets of the Escrow Fund only as set forth herein. The Escrowed Securities and other assets of the Escrow Fund always shall be maintained by the Escrow Agent for the benefit of the holders of the Redeemed Bonds; and a special account evidencing such fact shall be maintained at all times on the books of the Escrow Agent. The holders of the Redeemed Bonds shall be entitled to the same preferred claim and first lien upon the Escrowed Securities, the proceeds thereof and all other assets of the Escrow Fund as are enjoyed by other beneficiaries of similar accounts. The amounts received by the Escrow Agent under this Escrow Agreement shall not be considered as a banking deposit by the District, and the Escrow Agent shall have no right or title with respect thereto except as escrow agent under the terms hereof. The amounts received by the Escrow Agent hereunder shall not be subject to warrants, drafts or checks drawn by the District.

Section 3.05. Security for Cash Balances. Cash balances from time to time on deposit in the Escrow Fund, to the extent not insured by the Federal Deposit Insurance Corporation or its successor, shall be continuously secured by a pledge of direct obligations of, or obligations unconditionally guaranteed by the United States of America, having a market value at least equal to such cash balances.

ARTICLE IV REDEMPTION OF CERTAIN REDEEMED BONDS PRIOR TO MATURITY

Section 4.01. Redemption Prior to Maturity of Redeemed Bonds. The District has irrevocably exercised its option to call certain maturities of the Redeemed Bonds for redemption prior to maturity on the dates and at the prices shown on Exhibit A attached hereto, and authorized and directed notice of such redemption to be given in accordance with the order and pricing certificate executed pursuant thereto authorizing the issuance of such Redeemed Bonds.

ARTICLE V
LIMITATION ON INVESTMENTS

Section 5.01. General. Except as herein otherwise expressly provided, the Escrow Agent shall not have any power or duty to invest any money held hereunder; or to make substitutions of the Escrowed Securities; or to sell, transfer or otherwise dispose of the Escrowed Securities.

Section 5.02. Reinvestment of Proceeds. The Escrow Agent is hereby authorized and directed to reinvest proceeds of the Escrowed Securities which are attributable to amounts received as principal of or interest on the Escrowed Securities in direct obligations of the United States of America, at the times, in the amounts, and maturing and bearing interest, all as set out in the Report.

Section 5.03. Substitution of Securities. At the written request of the District, and upon compliance with the conditions hereinafter stated, the Escrow Agent shall sell, transfer, otherwise dispose of or request the redemption of all or any portion of the Escrowed Securities and apply the proceeds therefrom to purchase Redeemed Bonds or direct non-callable obligations of, or direct, non-callable, non-prepayable obligations the principal of and interest on which are unconditionally guaranteed for full and timely payment by, the United States of America. Any such transaction may be effected by the Escrow Agent only if (1) the Escrow Agent shall have received a written report with an accompanying opinion from a recognized firm of independent certified public accountants that such transaction will not cause the amount of money and securities in the Escrow Fund to be reduced below an amount which will be sufficient, when added to the interest to accrue thereon, to provide for the payment of principal of and interest on the remaining Redeemed Bonds as they become due, and (2) the Escrow Agent shall have received the unqualified written legal opinion of nationally recognized bond counsel or tax counsel acceptable to the District and the Escrow Agent to the effect that (a) such transaction will not cause any of the Refunding Bonds to be "arbitrage bonds" within the meaning of the Code, and (b) that such transaction complies with the Constitution and laws of the State of Texas and with all relevant documents relating to the Redeemed Bonds.

ARTICLE VI
RECORDS AND REPORTS

Section 6.01. Records. The Escrow Agent shall keep books of record and account in which complete and correct entries shall be made of all transactions relating to the receipt, disbursement, allocation and application of the money and Escrowed Securities deposited to the Escrow Fund and all proceeds thereof, and such books shall be available for inspection at reasonable hours and under reasonable conditions by the District and the owners of the Redeemed Bonds.

Section 6.02. Reports. For the period beginning on the Escrow Funding Date and ending on February 1, 2030, the Escrow Agent shall prepare and send to the District, at the District's request, within 30 days following the end of such period a written report summarizing all transactions relating to the Escrow Fund during such period, including, without limitation, credits to the Escrow Fund as a result of interest payments on or maturities of the Escrowed Securities and transfers from the Escrow Fund to the Paying Agent for the Redeemed Bonds, together with a

detailed statement of all Escrowed Securities and the cash balance on deposit in the Escrow Fund as of the end of such period.

Section 6.03. Notification. The Escrow Agent shall notify the District immediately if at any time during the term of this Escrow Agreement it determines that the cash and Escrowed Securities in the Escrow Fund are not sufficient to provide for the transfer to the Paying Agent for the Redeemed Bonds for timely payment of all interest on and principal of the Redeemed Bonds.

ARTICLE VII CONCERNING THE ESCROW AGENT

Section 7.01. Representations of Escrow Agent. U.S. Bank Trust Company, National Association hereby represents that it has all necessary power and authority to enter into this Escrow Agreement and undertake the obligations and responsibilities imposed upon it herein, and that it will carry out all of its obligations hereunder.

Section 7.02. Limitation on Liability. The Escrow Agent shall not be liable for any action taken or neglected to be taken by it in good faith in the exercise of reasonable care and believed by it to be within the discretion or power conferred upon it by this Escrow Agreement, nor shall the Escrow Agent be responsible for the consequences of any error of judgment; and the Escrow Agent shall not be answerable except for its own neglect or default, nor for any loss unless the same shall have been through its negligence or want of good faith.

The liability of the Escrow Agent to transfer funds to the Paying Agent for the Redeemed Bonds for the payments of the principal of and interest on the Redeemed Bonds shall be limited to the proceeds of the Escrowed Securities and the cash balances from time to time on deposit in the Escrow Fund. Notwithstanding any provision contained herein to the contrary, the Escrow Agent shall have no liability whatsoever for the insufficiency of funds from time to time in the Escrow Fund or any failure of the obligor of the Escrowed Securities to make timely payment thereon, except for its obligation to notify the District promptly of any such occurrence.

The recitals herein and in the proceedings authorizing the defeasance and/or redemption of the Redeemed Bonds shall be taken as the statements of the District and shall not be considered as made by, or imposing any obligation or liability upon, the Escrow Agent. In its capacity as Escrow Agent, it is agreed that the Escrow Agent need look only to the terms and provisions of this Escrow Agreement.

The Escrow Agent makes no representation as to the value, condition or sufficiency of the Escrow Fund, or any part thereof, or as to the title of the District thereto, or as to the security afforded thereby or hereby, and the Escrow Agent shall incur no liability or responsibility with respect to any of such matters.

In the absence of bad faith, the Escrow Agent may rely conclusively upon the truth, completeness and accuracy of the statements, certificates, opinions, resolutions and other documents conforming to the requirements of this Escrow Agreement, and shall not be obligated to make any independent investigation with respect thereto.

It is the intention of the District and the Escrow Agent that the Escrow Agent shall never be required to use or advance its own funds or otherwise incur personal financial liability in the performance of any of its duties or the exercise of any of its rights and powers hereunder.

Unless it is specifically provided otherwise herein, the Escrow Agent has no duty to determine or inquire into the happening or occurrence of any event or contingency or the performance or failure of performance of the District with respect to arrangements or contracts with others, with the Escrow Agent's sole duty hereunder being to safeguard the Escrow Fund and to dispose of and deliver the same in accordance with this Escrow Agreement. If, however, the Escrow Agent is called upon by the terms of this Escrow Agreement to determine the occurrence of any event or contingency, the Escrow Agent shall be obligated, in making such determination, only to exercise reasonable care and diligence, and in the event of error in making such determination the Escrow Agent shall be liable only for its own misconduct or its negligence. In determining the occurrence of any such event or contingency the Escrow Agent may request from the District or any other person such reasonable additional evidence as the Escrow Agent in its discretion may deem necessary to determine any fact relating to the occurrence of such event or contingency, and in this connection may make inquiries of, and consult with the District, among others, at any time.

The Escrow Agent shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bond or other paper or document believed by it to be genuine, and to have been signed or presented by the proper party or parties. The Escrow Agent may consult with counsel, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it in good faith and in accordance therewith.

To the full extent permitted by law, the District agrees to indemnify, defend and hold the Escrow Agent harmless from and against any and all loss, damage, tax, liability and expense that may be incurred by the Escrow Agent arising out of or in connection with its acceptance or appointment as Escrow Agent hereunder, including attorneys fees and expenses of defending itself against any claim or liability in connection with its performance hereunder, except that the Escrow Agent shall not be indemnified for any loss, damage, tax, liability, or expense resulting from its own negligence or willful action.

Section 7.03. Compensation. On the Escrow Funding Date, the District will pay the Escrow Agent, as a fee for performing the services hereunder and for all expenses incurred or to be incurred by the Escrow Agent in the administration of this Escrow Agreement the amount specified in the Fee Schedule attached hereto as Exhibit D. The Escrow Agent's fee does not include the cost of publication, printing costs, or reasonable out-of-pocket expenses of the Escrow Agent. If the Escrow Agent is requested to perform any extraordinary services hereunder, the District hereby agrees to pay reasonable fees to the Escrow Agent for such extraordinary services and to reimburse the Escrow Agent for all expenses incurred by the Escrow Agent in performing such extraordinary services. It is expressly provided that the Escrow Agent shall look only to the District for the payment of such additional fees and reimbursement of such additional expenses. The Escrow Agent hereby agrees that in no event shall it ever assert any claim or lien against the

Escrow Fund for any fees for its services, whether regular, additional or extraordinary, as Escrow Agent, or in any other capacity, or for reimbursement for any of its expenses.

Section 7.04. Successor Escrow Agents. This Escrow Agreement may be terminated by the District or the Escrow Agent on 60 days written notice, but no such termination shall be effective until a successor Escrow Agent has been appointed and has accepted such appointment. Any successor Escrow Agent appointed by the District shall succeed, without further act, to all the rights, immunities, powers and trusts of the predecessor Escrow Agent hereunder. Upon the request of any such successor Escrow Agent, the District shall execute any and all instruments in writing for more fully and certainly vesting in and confirming to such successor Escrow Agent all such immunities, rights, powers and duties. The Escrow Agent shall pay over to its successor Escrow Agent a proportional part of the Escrow Agent's fee hereunder equal to the portion of such fee attributable to duties to be performed after the date of succession.

Section 7.05. Consequential Damages. Anything in this Escrow Agreement to the contrary notwithstanding, to the extent permitted by law, in no event shall the Escrow Agent be liable for special, indirect or consequential loss or damage of any kind whatsoever (including but not limited to lost profits), even if the Escrow Agent has been advised of such loss or damage and regardless of the form of action.

Section 7.06. Verifications of Statutory Representations and Covenants. The Escrow Agent makes the following representation and verifications pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as heretofore amended (the "Government Code"), in entering into this Agreement. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the Underwriter within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this Agreement shall survive until barred by the applicable statute of limitations.

(a) Not a Sanctioned Company. The Escrow Agent represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Government Code. The foregoing representation excludes the Escrow Agent and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(b) No Boycott of Israel. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Government Code.

(c) No Discrimination Against Firearm Entities. The Escrow Agent hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate

against a firearm entity or firearm trade association” has the meaning provided in Section 2274.001(3), Government Code.

Section 7.07. Form 1295 Exemption. The Escrow Agent represents that it is a wholly owned subsidiary of U.S. Bank National Association, a publicly traded business entity, and therefore this Agreement is exempt from Section 2252.908, Texas Government Code, as amended.

ARTICLE VIII MISCELLANEOUS

Section 8.01. Notices. Any notice, authorization, request, or demand required or permitted to be given hereunder shall be in writing and shall be deemed to have been duly given when mailed by registered or certified mail, postage prepaid, addressed as follows:

To the Escrow Agent:

U.S. Bank National Association
8 Greenway Plaza, Suite 1100
Houston, Texas 77046
Attention: Corporate Trust Department

To the District:

Galveston Independent School District
3409 Avenue T
Galveston, Texas 77550
Attention: Chief Financial Officer

The United States Post Office registered or certified mail receipt showing delivery of the aforesaid shall be conclusive evidence of the date and fact of delivery. Either party hereto may change the address to which notices are to be delivered by giving to the other party not less than ten days prior notice thereof.

Section 8.02. Termination of Escrow Agent’s Obligations. Upon the taking by the Escrow Agent of all the actions as described herein, the Escrow Agent shall have no further obligations or responsibilities hereunder to the District, the Owners of the Redeemed Bonds or to any other person or persons in connection with this Escrow Agreement.

Section 8.03. Binding Agreement. This Escrow Agreement shall be binding upon the District and the Escrow Agent and their respective successors and legal representatives, and shall inure solely to the benefit of the Owners of the Redeemed Bonds, the District, the Escrow Agent and their respective successors and legal representatives.

Section 8.04. Severability. If any one or more of the provisions contained in this Escrow Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision of this Escrow

Agreement, but this Escrow Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

Section 8.05. Amendment. Except as provided in this Section, this Escrow Agreement may not be amended without the prior written consent of the Owners of all Redeemed Bonds then outstanding. No consent of any Owner shall be required for amendments limited to: (a) the insertion of unintentionally omitted material or the correction of mistakes or clarification of ambiguities; (b) the pledging of additional security to the Redeemed Bondholders; or (c) the deposit of additional cash or securities to the escrow account.

Section 8.06. Governing Law. This Escrow Agreement shall be governed exclusively by the provisions hereof and by the applicable laws of the State of Texas.

Section 8.07. Time of Essence. Time shall be of the essence in the performance of obligations from time to time imposed upon the Escrow Agent by this Escrow Agreement.

[Signature Pages Follow]

Executed as of _____, 20__, but effective as set forth herein.

GALVESTON INDEPENDENT SCHOOL
DISTRICT

By: _____
President, Board of Trustees

ATTEST:

By: _____
Secretary, Board of Trustees

U.S. BANK TRUST COMPANY,
NATIONAL ASSOCIATION,
as Escrow Agent

By: _____

Title: _____

EXHIBIT A

SCHEDULED OF REDEEMED BONDS

[To be Attached]

EXHIBIT B

ESCROWED SECURITIES

[To be Attached]

EXHIBIT C

VERIFICATION REPORT

[To be Attached]

EXHIBIT D

FEE SCHEDULE

[To be Attached]

CERTIFICATE FOR ORDER

THE STATE OF TEXAS §
COUNTY OF GALVESTON §

I, the undersigned officer of the Board of Trustees (the “Board”) of Galveston Independent School District (the “System”), hereby certify as follows:

1. The Board of Trustees of Galveston Independent School District convened in a special meeting on the _____ day of August, 2024, at the regular meeting place thereof, within said System, and the roll was called of the duly constituted officers and members of said Board, to wit:

Anthony Brown	President, District 4-D
Johnny Smecca	Vice Chair, District 6-F
Shae Jobe	Secretary, District 3-C
Elizabeth Beeton	Trustee, District 1-A
David H. O’Neal, Jr.	Trustee, District 2-B
Ann Masel	Trustee, District 5-E
Mindy Lakin	Trustee, District 7-G

and all of said persons were present, except the following absentee(s): _____, thus constituting a quorum. Whereupon, among other business, the following was transacted at said meeting: a written

ORDER BY THE BOARD OF TRUSTEES OF GALVESTON INDEPENDENT
SCHOOL DISTRICT AUTHORIZING THE DEFEASANCE AND
REDEMPTION OF CERTAIN OUTSTANDING BONDS; APPROVING AND
AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT;
AUTHORIZING THE ENGAGEMENT OF A VERIFICATION AGENT; AND
CONTAINING OTHER PROVISIONS RELATING THERETO

was duly introduced for the consideration of said Board. It was then duly moved and seconded that said order be adopted; and, after due discussion, said motion, carrying with it the adoption of said order, prevailed and carried by the following vote:

_____ Member(s) shown present above voted “Aye”.

_____ Member(s) shown present above voted “No”.

_____ Member(s) shown present above abstained from voting.

2. A true, full and correct copy of the aforesaid order adopted at the meeting described in the above and foregoing paragraph is attached to and follows this certificate; that said order has been duly recorded in said Board’s minutes of said meeting; that the above and foregoing paragraph is a true, full and correct excerpt from said Board’s minutes of said meeting pertaining

to the adoption of said order; that the persons named in the above and foregoing paragraph are the duly chosen, qualified and acting officers and members of said Board as indicated therein; that each of the officers and members of said Board was duly and sufficiently notified officially and personally, in advance, of the date, hour, place and purpose of the aforesaid meeting, and that said order would be introduced and considered for adoption at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; that said meeting was open to the public as required by law; and that public notice of the date, hour, place and subject of said meeting was given as required by the Chapter 551, Texas Government Code.

SIGNED AND SEALED this ____ day of _____, 2024.

[SEAL]

Secretary, Board of Trustees
Galveston Independent School District

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