

**A RESOLUTION BY THE BOARD OF TRUSTEES OF THE HUCKABAY INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE DEFEASANCE OF CERTAIN CURRENTLY OUTSTANDING DISTRICT OBLIGATIONS; DIRECTING THAT THE BOARD SECRETARY, OR HER DESIGNEE, EFFECTUATE THE DEFEASANCE OF THESE OBLIGATIONS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; AND OTHER MATTERS IN CONNECTION THEREWITH**

WHEREAS, the Board of Trustees (the *Board*) of the Huckabay Independent School District (the *District*) previously adopted an order (the *Original Order*) on August 21, 2019 authorizing the issuance of obligations designated as “Huckabay Independent School District Unlimited Tax School Building Bonds, Series 2019”, dated August 15, 2019 in the total original principal amount of \$7,940,000 and interest on which accrues and is only payable at stated maturity or prior redemption (the *Obligations*); and

WHEREAS, the Obligations are currently outstanding in the original principal amount of \$6,715,000.00 and are stated to mature on August 15 in each of the years 2028, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2044 and 2049; and

WHEREAS, the Obligations maturing on August 15, 2027 (the *Non-Callable Obligations*) are not subject to redemption; and

WHEREAS, the Obligations maturing on August 15, 2028, 2029, 2031, 2033, 2035, 2037, 2039, 2041, 2044 and 2049 (the *Callable Obligations*) are subject to redemption on August 15, 2027; and

WHEREAS, pursuant to applicable Texas law and the Order, the District is authorized to defease the Non-Callable Obligations and Callable Obligations, (together, the *Defeased Obligations*) by depositing with an authorized escrow agent an amount of money that, when combined with investment earnings thereon, will be sufficient to pay, when due (whether by reason of stated maturity or prior redemption), the accrued interest of such Defeased Obligations and, at the time of such defeasance, the Defeased Obligations shall be discharged and no longer considered outstanding indebtedness of the District; and

WHEREAS, it is in the best interest of the District and its residents to defease the Defeased Obligations as herein provided in order to reduce the District’s aggregate debt service requirements and, with respect thereto, establish a defeasance escrow and provide for its funding; now, therefore,

**BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE HUCKABAY INDEPENDENT SCHOOL DISTRICT THAT:**

SECTION 1: Defeased Obligations maturing on August 15, 2049 having an original principal amount of \$75,000.00 are hereby defeased as of the date of the Defeasance Resolution (defined below). The Board hereby authorizes and directs the Superintendent of Schools or Business Manager to ultimately determine the principal amount and interest of Defeased Obligations on the basis of the availability of funds for such purpose by the funding deadline hereinafter described, which final amounts shall be evidenced in the hereinafter-defined

Agreement and the Notice of Defeasance discussed in Section 3. This resolution to defease the Defeased Obligations is irrevocable upon adoption of this Resolution (the *Defeasance Resolution*) by the Board.

On or about \_\_\_\_, 202\_ the District shall transfer its lawfully available funds to UMB Bank, N.A., Austin, Texas, as the escrow agent for the Defeased Obligations (the *Escrow Agent*), an amount sufficient (when combined with investment earnings on such initial deposit) to pay the Defeased Obligations' principal and accrued interest as of the Maturity Date. Upon the making of such deposit, the Defeased Obligations will be determined to have been defeased and, as a result, discharged and no longer considered outstanding as an obligation of the District, all in accordance with the Original Order and applicable Texas law.

SECTION 2: The Escrow and Trust Agreement, dated as of July 18, 2024 (the *Agreement*), by and between the District and the Escrow Agent and relating to the Defeased Obligations, attached hereto as Exhibit B and incorporated herein by reference as a part of this Defeasance Resolution for all purposes, is hereby approved as to form and content, and such Agreement, together with such changes or revisions as may be necessary to accomplish the defeasance of the Defeased Obligations or benefit the District, is hereby authorized to be executed by the President, Vice President, or Secretary of the Board, the Superintendent of Schools, or the Business Manager for and on behalf of the District and as the act and deed of this Board; and such Agreement as executed by said officials shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, the President, Vice President, or Secretary of the Board, the Superintendent of Schools, or the Business Manager, and Bond Counsel, in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the funds described in Section 1 above for deposit to the credit of the "HUCKABAY INDEPENDENT SCHOOL DISTRICT DEFEASANCE UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2019 ESCROW FUND (2024)" (the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the Escrowed Securities (as defined in the Agreement) for deposit to the Escrow Fund; all as contemplated and provided by the provisions of applicable Texas law, the Original Order, this Defeasance Resolution, and the Agreement.

SECTION 3: The President and Secretary of the Board are authorized and instructed to give notice of redemption described herein to the paying agent/registrar for the Redeemed Obligations called for redemption prior to stated maturity as provided in the Original Order. The form of the Notice of Defeasance to accomplish the foregoing is attached as Exhibit A hereto and incorporated by reference for all purposes.

SECTION 4: The Board hereby appoints \_\_\_\_\_ (the *Verification Agent*), to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Defeased Obligations to the Maturity Date.

SECTION 5: The President and Secretary of the Board, or any of them, are authorized to evidence adoption of this Defeasance Resolution and to do any and all things necessary or

convenient to effect the redemption described herein and otherwise give effect to the intent and purpose hereof.

SECTION 6: The Board hereby approves payment from lawfully available District funds of professional fees and expenses of the District's Bond Counsel, the District's Financial Advisor, the Escrow Agent, the Verification Agent, the paying agent/registrar for the Defeased Obligations, and any other party whose services have been determined by the District to be necessary to accomplish the purpose and intent of this Defeasance Resolution.

SECTION 7: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Defeasance Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 8: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Defeasance Resolution are hereby repealed to the extent of such conflict, and the provisions of this Defeasance Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 9: This Defeasance Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10: If any provision of this Defeasance Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Defeasance Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Defeasance Resolution would have been enacted without such invalid provision.

SECTION 11: It is officially found, determined, and declared that the meeting at which this Defeasance Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Defeasance Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 12: Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the Board hereby delegates to the Superintendent of Schools or the Business Manager the authority to independently select the counterparty to any agreement with the Escrow Agent, Verification Agent or any other contract that is determined by the Superintendent of Schools, the District's Business Manager, the District's Financial Advisor, or Bond Counsel to be necessary or incidental to carry out the provisions of this Defeasance Resolution, as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Contracts*); and, as necessary, to execute the Ancillary Contracts on behalf and as the act and deed of the District. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Contracts.

SECTION 13: This Defeasance Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED AND APPROVED, this the 18th day of July, 2024.

HUCKABAY INDEPENDENT SCHOOL  
DISTRICT

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President, Board of Trustees

ATTEST:

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Secretary, Board of Trustees

(DISTRICT SEAL)

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**EXHIBIT A**

NOTICE OF DEFEASANCE

See Tab No. \_\_

**EXHIBIT B**

ESCROW AGREEMENT

See Tab No. \_\_