

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE ARANSAS PASS INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE DEFEASANCE AND CALLING FOR REDEMPTION CERTAIN CURRENTLY OUTSTANDING DISTRICT OBLIGATIONS; DIRECTING THE BOARD SECRETARY, OR A DESIGNEE THEREOF, TO EFFECTUATE THE REDEMPTION OF THESE OBLIGATIONS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING TO CERTAIN DISTRICT OFFICIALS AND STAFF THE AUTHORITY TO EFFECTUATE MATTERS HEREIN RESOLVED; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board of Trustees (the *Board*) of the Aransas Pass Independent School District (the *District*) has previously adopted an order (the *Original Order*) authorizing the issuance of the District's currently outstanding Unlimited Tax School Building Bonds, Series 2016 (the *Obligations*); and

WHEREAS, the Obligations maturing on and after February 15, 2026 are subject to optional redemption, as a whole or in part (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at the option of the District, on February 15, 2025 or any date thereafter; and

WHEREAS, the Original Order provides the notice requirements to effectuate the redemption of the Obligations that are subject to redemption prior to their applicable Stated Maturity; and

WHEREAS, it is in the best interest of the District and its residents to defease certain of the Obligations (the *Defeased Obligations*) to their first optional redemption date or date of Stated Maturity, extinguishing the District's payment obligations with respect thereto at the time of defeasance, and calling those early-redeemable Defeased Obligations on their first optional redemption date, all as herein provided; now, therefore,

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ARANSAS PASS INDEPENDENT SCHOOL DISTRICT THAT:

SECTION 1. The Board hereby authorizes an Authorized Official (defined herein) to use District funds realized from prior or prospective interest and sinking fund tax collections or any other lawfully available source (the *Defeasance Proceeds*), in an amount necessary and sufficient to defease, to their date of early redemption or Stated Maturity, the Defeased Obligations, which shall be determined by an Authorized Official and set forth in Exhibit A hereto. An Authorized Official shall accomplish the defeasance of the Defeased Obligations by establishing and funding with Defeasance Proceeds prior to the end of the District's 2024-2025 fiscal year the hereinafter-defined Escrow Fund pursuant to the provisions of Section 3 hereof. An Authorized Official shall identify the maximum principal amount of Defeased Obligations that can be defeased after taking into consideration District funds from the sources identified above, interest earnings on Escrow Fund deposits, and final costs related to establishment of the Escrow Fund, with the goal of maximizing the principal amount of the Defeased Obligations. District officials currently estimate

that the principal amount of Defeased Obligations will be approximately \$855,000, but such amount may be lesser or greater dependent on the receipt of actual collections. The final amount available to the District to defease the Defeased Obligations will be known to the District after current taxes become delinquent and the tax collections available for defeasance are ascertained.

SECTION 2. The District hereby calls for redemption on their first date of optional redemption, the callable Defeased Obligations. This election to redeem is irrevocable upon adoption of this Resolution by the Board. The form of the Notice of Redemption for the Defeased Obligations is attached as Exhibit B hereto and incorporated by reference for all purposes.

SECTION 3. The Escrow and Trust Agreement, dated as of August 28, 2024 (the *Agreement*), by and between the District and the escrow agent therein identified (the *Escrow Agent*), relating to the Defeased Obligations and attached hereto as Exhibit C and incorporated herein by reference as a part of this 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 an Authorized Official, for and on behalf of the District and as the act and deed of this Board. Such Agreement, as executed by said Authorized Official, shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, each Authorized Official, the District's Financial Advisor (RBC Capital Markets), and the District's Bond Counsel (McCall, Parkhurst & Horton L.L.P.), in cooperation with the Escrow Agent, is hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities if applicable, referenced in the Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the Defeasance Proceeds for deposit to the credit of the "ARANSAS PASS INDEPENDENT SCHOOL DISTRICT 2025 DEFEASANCE ESCROW FUND" (the *Escrow Fund*), as may be modified in name to reference the appropriate Defeasance Obligations, and may include the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities – State and Local Government Series" for deposit to the Escrow Fund; all as contemplated and provided by the provisions of Chapter 1207, as amended, Texas Government Code, this Resolution, and the Agreement.

SECTION 4. The President and Secretary of the Board are authorized and instructed to give notice of redemption described herein to the paying agent/registrar(s) for the Defeased Obligations for further delivery thereby to the holders of such Defeased Obligations, as provided in the Original Order.

SECTION 5. An Authorized Official shall select an appoint a qualified verification agent (such party, the *Verification Agent*) to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Defeased Obligations, to the extent such appointment is necessary or desired.

SECTION 6. Each Authorized Official is authorized to evidence adoption of this Resolution and to do any and all things necessary or convenient to effect the redemption of the Defeased Obligations herein described and otherwise give effect to the intent and purpose hereof.

SECTION 7. The Board hereby directs that Defeasance Proceeds shall include amounts sufficient to pay professional fees and expenses of the District's Bond Counsel, the District's Financial Advisor, the Escrow Agent (if any), the Verification Agent, the paying agent/registrars for the Defeased Obligations, respectively, and any other party whose services have been determined by the District to be necessary to accomplish the purpose and intent of this Resolution. Use of Defeasance Proceeds to pay these expenses is hereby approved.

SECTION 8. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 9. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 10. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 11. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 12. It is officially found, determined, and declared that the meeting at which this 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 Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 13. 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 Board President, Board Vice President, Board Secretary, Superintendent of Schools, Assistant Superintendent, and Director of Business and Finance (each of the foregoing, an *Authorized Official*) the authority to independently select the counterparty to any agreement with the Escrow Agent, Verification Agent or any other contract that is determined by an Authorized Official, the District's Financial Advisor, or Bond Counsel to be necessary or incidental to carry out the provisions of this 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, as amended (collectively, the *Ancillary Bond Contracts*); and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the District. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 14. Capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the Original Order.

SECTION 15. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

PASSED AND APPROVED, this the 28th day of August, 2024.

ARANSAS PASS INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

EXHIBIT A

DEFEASED OBLIGATIONS

1. Aransas Pass Independent School District Unlimited Tax School Building Bonds, Series 2016, dated August 15, 2016, in the original principal amount of \$16,120,000, of which \$_____ is being defeased.

EXHIBIT B
NOTICE OF REDEMPTION

See Tab No. 5

EXHIBIT C
ESCROW AGREEMENT

See Tab No. 2