

**AN ORDER BY THE BOARD OF TRUSTEES OF THE CANUTILLO INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF “CANUTILLO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2024B”; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT, AN ESCROW DEPOSIT LETTER, AND A PURCHASE CONTRACT; COMPLYING WITH THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; DELEGATING THE AUTHORITY TO CERTAIN MEMBERS OF THE BOARD OF TRUSTEES AND DISTRICT STAFF TO EXECUTE CERTAIN DOCUMENTS RELATING TO THE SALE OF THE BONDS; AUTHORIZING THE EXECUTION OF ANY NECESSARY ENGAGEMENT AGREEMENT WITH THE DISTRICT’S FINANCIAL ADVISORS AND/OR BOND COUNSEL; AND PROVIDING AN EFFECTIVE DATE**

WHEREAS, the Board of Trustees (the *Board* or the *Board of Trustees*) of the Canutillo Independent School District (the *District* or the *Issuer*) has heretofore issued, sold, and delivered, and there are currently outstanding obligations, payable from maintenance tax proceeds, in the aggregate original principal amount of \$7,285,000 being the obligations disclosed on Schedule I attached hereto and incorporated by reference for all purposes to this order (the *Refunded Obligations*); and

WHEREAS, pursuant to the provisions of the Election (hereinafter defined) and Chapter 1207, as amended, Texas Government Code (the *Act*), the Board is authorized to issue refunding bonds and deposit the proceeds of sale directly with any designated escrow agent for the Refunded Obligations, and such deposit, when made in accordance with the Act, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

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

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

WHEREAS, UMB Bank, N.A., Austin, Texas, is the paying agent/registrar for the Refunded Obligations, and;

WHEREAS, BOKF, N.A., Dallas, Texas, which is not a depository bank of the District is hereby appointed as the Escrow Agent (hereinafter defined) and Paying Agent/Registrar (hereinafter defined) for the refunding bonds; and

WHEREAS, the District held an election on May 4, 2024 (the *Election*), where the qualified voters of the District approved the refunding of the Refunded Obligations, comprised of previously issued maintenance tax obligations (identified in Schedule I hereto) as follows:

WHEREAS, the unlimited tax bonds approved and authorized to be issued, for the purposes of (i) refunding all or a portion of the principal, interest, and redemption premium on previously issued maintenance tax notes of the District styled “Canutillo Independent School District Maintenance Tax Notes, Series 2020”, dated June 1, 2020, are as further set forth below:

Purpose	Date Authorized	Amount (\$) Authorized	Amount (\$) Previously Issued	Amount (\$) Being Issued*	Unissued Balance (\$)
Refunding Series 2020 Maintenance Tax Notes	May 4, 2024	7,285,000.00	-0-	_____	_____

\*Includes the Bonds and certain net premium allocations.

WHEREAS, the Board hereby finds and determines that Bonds in the total principal amount of \$\_\_\_\_\_ (being the principal amount of \$\_\_\_\_\_ plus an allocated amount of the premium of \$\_\_\_\_\_), being the first installment or series of refunding bonds approved and authorized to be issued at the Election, should be issued and sold at this time; and

WHEREAS, the refunding of the Refunded Obligations will not result in a net present value savings but rather transfer certain of the District’s outstanding maintenance tax obligations as payable from the District’s bond tax rate in accordance with the Election; and

WHEREAS, based on the foregoing, the Board hereby finds and determines that the refunding of the Refunded Obligations is necessary, and will result in a gross loss of \$\_\_\_\_\_ and a present value loss of \$\_\_\_\_\_ (or - \_\_\_\_\_%), and the Board has taken into account the negative aspects of issuing the Bonds; and

WHEREAS, the Board hereby finds and determines, pursuant to the authority authorized at the Election, to issue the Bonds and call the Refunded Obligations for redemption, and as further provided by the Act, to delegate to the Authorized Officials (defined herein) the authority to execute an “approval certificate” (a form of which is attached hereto as Schedule II) to approve the final terms of the refunding bonds issued hereunder upon obtaining the recommendation from the District’s Financial Advisor; and

WHEREAS, the Board hereby finds and determines that the issuance of the refunding bonds is in the best interests of the residents of the District, now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose - Bond Date. Unlimited tax school building bonds of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of \$\_\_\_\_\_ to be designated and bear the title “CANUTILLO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2024B” (the *Bonds*), for the purposes of providing funds for (i) refunding certain outstanding maintenance tax obligations of the District (identified in Schedule I hereto and referred to as the *Refunded Obligations*), and (ii) paying the costs and expenses of issuance of the Bonds, pursuant to the authority conferred by the Election and in conformity with the laws of the State of Texas, including the Act and Chapter 1371, as amended, Texas Government Code (*Chapter 1371*). The Bonds shall be dated July 1, 2024 (the *Bond Date*) and interest shall accrue as provided in Section 2 hereof.

As authorized by Chapter 1371, each Authorized Official (defined herein) is hereby authorized, appointed, and designated as the official of the District authorized to individually act on behalf of the District in selling and delivering one or more series of unlimited tax refunding bonds authorized herein and carrying out the procedures specified in this Order, including approval of the following terms and provisions for each series of unlimited tax refunding bonds:

1. The style of each series of Bonds, which style indicates (with respect to each series of Bonds) the calendar year of issuance, and (if necessary or desired) a letter or other sequential identification indicating that multiple series of Bonds of the same or similar type have been or will be issued hereunder during a particular calendar year.
2. The aggregate principal amount of each series of Bonds, as well as the principal amount of each stated maturity within a series of Bonds.
3. The rate of interest to be borne on the principal amount of each stated maturity within a series of Bonds and the interest payment dates for such series of Bonds.
4. The Bond Date for each series of Bonds.
5. The optional, extraordinary optional, and mandatory redemption provisions applicable, if at all, to each series of Bonds.
6. The determination of whether to sell a series of Bonds by private placement, competitive public bid, or by negotiated sale (and if by negotiated sale, the selection of the senior managing underwriter and the co-managers to serve as the syndicate of underwriters selling the applicable series of Bonds).
7. Pricing for each series of Bonds, including generation and use of reoffering premium and/or discount, determination of underwriters’ compensation (if any), and applicable costs of issuance.
8. The structure for each series of Bonds, including serial maturities, term bonds, and capital appreciation bonds.

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

1. The combined principal amount of all series of Bonds issued hereunder shall not exceed \$7,285,000.00.

2. The maximum maturity of any series of Bonds authorized to be issued pursuant to this Order will be August 15, 2054.

3. The federal arbitrage yield on each series of Bonds authorized to be issued pursuant to this Order shall not exceed a rate greater than 4.00% per annum.

4. In connection with the refunding of the Refunded Obligations, each series of Bonds shall produce a gross loss of no greater than \$300,000

5. The final series of Bonds issued hereunder must be sold not later than May 28, 2025 (though the closing of a particular series of Bonds sold in accordance with this provision may occur after May 28, 2025, so long as such closing period is determined by an Authorized Official to be of reasonable duration).

Each Authorized Official, acting for and on behalf of the District, is authorized, with respect to a series of Bonds, to complete and execute an Approval Certificate, in substantially the form attached as Exhibit A hereto. The execution of the Approval Certificate shall evidence the sale date of each series of Bonds by the District to the initial purchasers thereof. Upon execution of an Approval Certificate, Bond Counsel is authorized to complete a copy of this Order as evidence of the issuance of a series of Bonds pursuant to the delegated authority granted hereunder and to reflect such final terms for such series of Bonds, which includes selection of the appropriate terms to reflect the final transaction structure and terms of sale evidenced in the Approval Certificate. In addition to the foregoing, each Authorized Official is authorized to execute, as the act and deed of the District and on behalf of the Board of Trustees, any and all contracts, agreements, letters, and certificates, relative to any series of Bonds that may be required by this Order, as supplemented in the manner described above, or determined to be necessary or advisable in connection with an issuance of Bonds hereunder. It is further provided, however, that notwithstanding the foregoing provisions, no Bonds shall be delivered unless prior to delivery, the particular series of Bonds shall have been rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long term obligations, as required by Chapter 1371.

SECTION 2: Fully Registered Obligations – Authorized Denominations – Stated Maturities – Interest Rates. The Bonds shall be issued as fully registered obligations, without coupons, in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R” and numbered consecutively from One (1) upward, and principal shall become due and payable on August 15 in each of the years and in amounts as described below (the *Stated Maturities*) and bear interest at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2025		
2026		
2027		
2028		

2029  
2030

The Bonds shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to occur on or about July 16, 2024) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable initially on February 15, 2025, and semiannually on each August 15 and February 15 thereafter (each, an *Interest Payment Date*).

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds due and payable by reason of Stated Maturity or otherwise shall be payable, without exchange or collection charges to the registered owners of the Bonds (the *Holder* or *Holder*s), appearing on the Security Register (hereinafter defined) maintained by the Paying Agent/Registrar (hereinafter defined), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The selection and appointment of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached hereto, in substantially final form, as Exhibit B, and such reasonable rules and regulations as the Paying Agent/Registrar and the Issuer may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution, (ii) an association or a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise trust powers. The Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and shall be authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or order terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent to each Holder by United States mail, first-class postage prepaid, which notice shall also give the address of the corporate trust office of the successor Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity or otherwise, shall be payable only to the Holder whose name appears on the Security Register (i) on the Record Date (hereinafter defined) for purposes of paying interest on the Bonds, and (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof at the Bonds' Stated Maturity. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the Record Date (the last business day of the month next preceding each Interest Payment Date for the Bonds and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

If the date for the payment of the principal of, premium, if any, or interest on the Bonds shall be a Saturday, Sunday, a legal holiday, or a day on which banking institutions in the city where the corporate trust office of the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not such a day. The payment on such date shall have the same force and effect as if made on the original date any such payment on the Bonds was due.

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. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Bond appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption. The Bonds are not subject to redemption prior to Stated Maturity.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Bonds or, if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of like kind or of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Upon surrender for transfer of any Bond (other than the Initial Bond authorized in Section 7 hereof) at the corporate trust office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the Issuer of authorized denomination and having the same Stated Maturity and of a like aggregate principal amount and interest rate as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds

to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds executed on behalf of, and furnished by, the Issuer to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or sent by United States registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Bonds, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 15 of this Order in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 6: Execution - Registration. The Bonds shall be executed on behalf of the Issuer by the President or Vice President of the Board of Trustees under its seal reproduced or impressed thereon and attested by the Secretary of the Board of Trustees. The signature of said officers on the Bonds may be manual, facsimile, or electronic. Bonds bearing the manual, facsimile, or electronic signatures of individuals who are or were the proper officers of the Issuer on the Bond Date shall be deemed to be duly executed on behalf of the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the Purchasers and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual, facsimile, or electronic signature or otherwise, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual, facsimile, or electronic signature. Either of these certificates upon any Bond shall be conclusive evidence, and the only evidence required, that such Bond has been duly certified or registered and delivered.

SECTION 7: Initial Bond. The Bonds herein authorized shall be initially issued as a single fully registered Bond in the aggregate principal amount of \$\_\_\_\_\_ with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the *Initial Bond*), and the Initial Bond shall be registered in the name of the Purchasers or the designee thereof, as further described in Section 16 hereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by

the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

#### SECTION 8: Forms.

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

The definitive Bonds shall be printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.



B. Form of Definitive Bonds.

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

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

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF EL PASO  
CANUTILLO INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BONDS, SERIES 2024B

Bond Date:  
July 1, 2024

Interest Rate:

Stated Maturity:

CUSIP NO:

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

PRINCIPAL AMOUNT: \_\_\_\_\_ AND NO/100 DOLLARS

The Canutillo Independent School District (the *Issuer*), a body corporate and political subdivision in the County of El Paso, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above on the Stated Maturity date specified above and to pay interest on the unpaid principal amount hereof from the Closing Date (anticipated to occur on or about July 16, 2024) or the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable initially on February 15, 2025, and semiannually on each August 15 and February 15 thereafter (each, an *Interest Payment Date*).

Principal and premium, if any, of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$ \_\_\_\_\_ (the *Bonds*) pursuant to an order adopted by the Board of Trustees of the Issuer

(the *Order*) for the purpose of (i) refunding all or a portion of the principal, interest, and redemption premium on previously issued maintenance tax notes of the District styled “Canutillo Independent School District Maintenance Tax Notes, Series 2020”, dated June 1, 2020, and (ii) paying the costs of issuing the Bonds, pursuant to the authority conferred by an election held in the Issuer on May 4, 2024, and in conformity with the laws of the State of Texas, including Chapter 45, as amended, Texas Education Code and Chapter 1371, as amended, Texas Government Code.

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

As specified in the Order, the Bonds are not subject to redemption prior to Stated Maturity.

Reference is hereby made to the Order, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be discharged at its Stated Maturity and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned to them in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred only upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same principal amount that remains Outstanding will be issued to the designated transferee or transferees.

The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity, and (iii) on any date as the owner for all other purposes, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of 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 Issuer. Notice of the Special Record Date and of the scheduled 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 (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the Issuer is a duly organized and legally existing governmental agency under and by virtue of the laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the Issuer have been properly done, have happened, and have been performed in regular and due time, form and manner as required by the laws of the State of Texas and the Order; that the Bonds do not exceed any constitutional or statutory limitations; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond or application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications of this Bond shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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

IN WITNESS WHEREOF, the Board of Trustees of the Issuer has caused this Bond to be duly executed under its official seal.

CANUTILLO INDEPENDENT SCHOOL  
DISTRICT

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President, Board of Trustees

ATTEST:

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Secretary, Board of Trustees

(ISSUER SEAL)

- C. \*Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond only.

# REGISTRATION CERTIFICATE OF COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF  
PUBLIC ACCOUNTS

THE STATE OF TEXAS

§§§§

REGISTER NO. \_\_\_\_\_

I HEREBY CERTIFY that this Bond has been examined, certified as to validity and approved by the Attorney General of the State of Texas, and duly registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS my signature and seal of office this \_\_\_\_\_

Comptroller of Public Accounts  
of the State of Texas

(SEAL)

**\*NOTE TO PRINTER: Do Not Print on Definitive Bonds.**

- D. \*Form of Registration Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

## REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Order; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date:

BOKF, NA, Dallas, Texas, as Paying  
Agent/Registrar

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

**\*NOTE TO PRINTER: Print on definitive Bonds.**

E. Form of Assignment.

ASSIGNMENT

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

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

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

\_\_\_\_\_  
NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

\_\_\_\_\_

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

F. Form of Initial Bond.

The Initial Bond for the Bonds shall be in the form set forth therefor in paragraph B of this Section, except as follows:

Heading and first two paragraphs shall be amended to read as follows:

REGISTERED  
NO. T-1

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

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF EL PASO  
CANUTILLO INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BONDS, SERIES 2024B

Bond Date:  
July 1, 2024

Interest Rate:  
“As Shown Below”

Stated Maturity:  
“As Shown Below”

CUSIP NO:  
\_\_\_\_\_

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

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

The Canutillo Independent School District (the *Issuer*), a body corporate and political subdivision in the County of El Paso, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above on the fifteenth day of August in each of the years and in the Principal Amounts and bearing interest at the per annum rates in accordance with the following schedule:

<u>Years of</u> <u>Stated Maturity</u>	<u>Principal</u> <u>Amounts (\$)</u>	<u>Interest</u> <u>Rates (%)</u>
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(Information to be inserted from schedule in Section 2 hereof).

and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about July 16, 2024) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable initially on February 15, 2025, and semiannually on each August 15 and February 15 thereafter (each, an *Interest Payment Date*).

Principal and premium, if any, of this Bond shall be payable at its Stated Maturity, while Outstanding, to the Holder hereof, upon its presentation and surrender, at the corporate trust office of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder

of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each Interest Payment Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

[END OF FORMS]

G. Permanent School Fund or Insurance Legends. If bond insurance is obtained by the Purchasers, or if the Bonds are guaranteed by the Permanent School Fund of the State of Texas, the definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer or the Texas Education Agency, as applicable, to appear under the following header:

[BOND INSURANCE] or [PERMANENT SCHOOL FUND GUARANTEE]

SECTION 9: Definitions. For all purposes of this Order (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 40 of this Order have the meanings assigned to them in Section 40 of this Order, and all such terms, include the plural as well as the singular; (ii) all references in this Order to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Order as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Official* shall mean each of the President, Board of Trustees, the Secretary, Board of Trustees, the Superintendent of Schools and the Chief Business Officer, (or any successor to any of the aforementioned persons serving, or any person serving on an interim basis or in an acting position in the indicated capacity).

B. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment of the agreed purchase price for the Bonds.

C. The term *Government Securities* shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable 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; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body 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; or



(iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Bonds.

D. The term *Holder or Holders* shall mean the registered owner or owners of the Bonds appearing on the Security Register maintained by the Paying Agent/Registrar.

E. The term *Interest Payment Date* shall mean the date interest is payable on the Bonds, being semiannually on each February 15 and August 15, commencing February 15, 2025, while any of the Bonds remain Outstanding.

F. The term *Order* shall mean this order adopted by the Board of Trustees on the date hereof.

G. The term *Outstanding* shall mean, as of the date of determination, all Bonds issued and delivered under this Order, except:

- (1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds for which payment has been duly provided by the Issuer in accordance with the provisions of Section 22 of this Order; and
- (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 15 of this Order.

H. The term *Purchasers* shall mean the initial purchasers of the Bonds named in Section 16 of this Order.

I. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on August 15 of each year as set forth in Section 2 of this Order.

SECTION 10: Bond Fund - Investments. For the purpose of paying the principal of, premium, if any, and interest on the Bonds at Stated Maturity, there shall be and is hereby created a special Fund to be designated “SERIES 2024B CANUTILLO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS INTEREST AND SINKING FUND” (the *Bond Fund*), which Fund shall be kept and maintained at the Issuer’s depository bank, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 20. Any Authorized Official of the Issuer is hereby authorized and directed to make withdrawals from the Bond Fund sufficient to pay the principal of and interest on the Bonds as the same become due and payable, or the purchase price thereof, and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Bond Fund an amount sufficient to pay the purchase price or the amount of principal, premium, if any, and/or interest stated to mature on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Bonds. To the extent that the Issuer receives an allocation from the Existing Debt Allotment or the Instructional Facilities Allotment established pursuant to Chapter 46, as amended, Texas Education Code or credits a portion of its Basic Allotment established pursuant to Subchapter B

of Chapter 42, as amended, Texas Education Code, in order to satisfy Section 45.0031, as amended, Texas Education Code, the Issuer will comply with the provisions of Section 46.009(d), as amended, Texas Education Code and the aforementioned Section 45.0031 concerning the deposit of these funds into the Bond Fund.

Pending the transfer of funds to the Paying Agent/Registrar, money in any fund created and established pursuant to the provisions of this Order may, at the option of the Issuer, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from the Bond Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any funds created pursuant to the provisions of this Order shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

**SECTION 11: Levy of Taxes - Surplus Bond Proceeds.** To provide for the payment of Bonds, there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the Issuer, without legal limit as to rate or amount, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars valuation of taxable property in the Issuer for the payment of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of, premium, if any, and interest on the Bonds, while any Bond remains Outstanding; full allowance being made for delinquencies and costs of collection. The taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the Issuer and shall be deposited into the Bond Fund; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

Any taxes collected after the Closing Date pertaining to the Refunded Obligations shall be deposited into the Bond Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Bonds (which includes unspent investment income from Bond proceeds) not expended for authorized purposes shall be deposited into the Interest and Sinking Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Interest and Sinking Fund from ad valorem taxes.

SECTION 12: Security of Funds. All money on deposit in the Fund for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Fund shall be used only for the purposes permitted by this Order.

SECTION 13: Notices to Holders - Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Issuer may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Issuer.

SECTION 15: Mutilated - Destroyed - Lost and Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the Issuer and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity, interest rate, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond, or payment in lieu thereof, under this Section, the Issuer may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses or charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 16: Sale of Bonds at a Negotiated Sale – Authorization of Purchase Contract – Official Statement Approval – Use of Proceeds. The Bonds authorized by this Order are hereby sold by the District to \_\_\_\_\_, \_\_\_\_\_, \_\_\_\_\_, as the authorized representative of a group of underwriters at a negotiated sale (the *Purchasers*, having all the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated \_\_\_\_\_, 2024, attached hereto as Exhibit C and incorporated herein by reference as a part of this Order for all purposes. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the Issuer. The Initial Bond shall be registered in the name of \_\_\_\_\_. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Issuer and as the act and deed of this Board, and in regard to the approval and execution of the Purchase Contract, the Board hereby finds, determines and declares that the representations, warranties, and agreements of the Issuer contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Issuer. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the District hereby ratifies, confirms, and approves in all respects (i) the Issuer's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated \_\_\_\_\_, 2024, in the reoffering, sale and delivery of the Bonds to the public. The President and the Secretary of the Board of Trustees are further authorized and directed to manually, facsimile, or electronically execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually, facsimile, or electronically executed by said officials shall be deemed to be approved by the Board and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

Proceeds from the sale of the Bonds shall be applied as follows:

A. The District received a [net] reoffering premium from the sale of the Bonds of \$\_\_\_\_\_, which is hereby allocated by the District in the following manner: (1) \$\_\_\_\_\_ to pay the Purchasers' compensation, and (2) \$\_\_\_\_\_ shall be used to pay certain other costs of issuance; and; and

B. The balance of the proceeds derived from the sale of the Bonds (including the portion of the [net] reoffering premium in the amount of \$\_\_\_\_\_ as described in paragraph A above and principal amount of \$\_\_\_\_\_ derived from the sale of the Bonds) (after paying other costs of issuance and the other deposits referred to in Paragraph A above), shall be deposited to the Escrow Fund, plus \$\_\_\_\_\_ as the rounding amount, and no accrued interest shall be deposited to the District's General Fund. Interest earned on the proceeds of the Bonds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 11.

SECTION 17: Escrow Deposit Letter Approval and Execution. The Escrow Deposit Letter dated as of May 28, 2024 (the *Agreement*) by and between the District and BOKF, NA, Dallas, Texas (the *Escrow Agent*), attached hereto as Exhibit D and incorporated herein by reference as a part of this Order for all purposes, is hereby approved as to form and content, and such Agreement in substantially the form and substance attached hereto, together with such changes or revisions as may be necessary to accomplish the refunding or benefit the District, is hereby authorized to be executed by any Authorized Official for and on behalf of the District and as the act and deed of the Board of Trustees; and such Agreement as executed by said officials shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, any Authorized Official, any one or more of said officials, and Bond Counsel in cooperation with the Escrow Agent are hereby authorized and directed to make the necessary arrangements for the purchase of the Escrowed Securities, if any, referenced in the Agreement and the delivery thereof to the Escrow Agent on the day of delivery of the Bonds to the Purchasers for deposit to the credit of the "CANUTILLO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2024B ESCROW FUND" (the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the Escrow Fund; all as contemplated and provided by the provisions of the Act, this Order, and the Agreement.

SECTION 18: Proceeds of Sale - Contribution from District. Immediately following the delivery of the Bonds, certain proceeds of the sale along with a cash contribution, if any, from the District (less certain costs of issuance, and accrued interest, if any, received from the Purchasers of the Bonds) shall be deposited with the Escrow Agent for application and disbursement in accordance with the provisions of the Agreement. The proceeds of sale of the Bonds not so deposited with the Escrow Agent for the refunding of the Refunded Obligations shall be disbursed for payment of costs of issuance or deposited in the Interest and Sinking Fund for the Bonds, all in accordance with written instructions from any Authorized Official. Amounts held in the interest and sinking fund(s) of the Refunded Obligations and not used as part of the District's contribution

to the Escrow Fund, if any, shall be deposited into the Interest and Sinking Fund and used to pay principal on the Bonds.

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

SECTION 19: Redemption of Refunded Obligations. The Refunded Obligations referenced in the preamble hereof become subject to redemption prior to their stated maturities at the price of par and accrued interest to the date of redemption. The District shall give written notice to the paying agent that the Refunded Obligations have been called for redemption, and the Board of Trustees orders that such obligations are called for redemption on the redemption date set forth on Schedule I attached hereto, and such order to redeem the Refunded Obligations on such date shall be irrevocable upon the delivery of the Bonds. A copy of the notice of redemption pertaining to the Refunded Obligations is attached to this Order as Exhibit E and is incorporated herein by reference for all purposes. The paying agent is authorized and instructed to provide notice of this redemption to the holders of the Refunded Obligations in the form and manner described in the order authorizing the issuance of the Refunded Obligations.

SECTION 20: Covenants to Maintain Tax-Exempt Status.

A. Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the *Code*), the interest on which is not includable in the “gross income” of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any “private business use,” as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the Issuer, with respect to such private business use, do not, under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

(2) to take any action to assure that in the event that the “private business use” described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a

reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(4) to refrain from taking any action which would otherwise result in the Bonds being treated as “private activity bonds” within the meaning of section 141(b) of the Code;

(5) to refrain from taking any action that would result in the Bonds being “federally guaranteed” within the meaning of section 149(b) of the Code;

(6) to refrain from using any portion of the proceeds of the Bonds, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Bonds, other than investment property acquired with -

(a) proceeds of the Bonds invested for a reasonable temporary period of 3 years or less or, in the case of a refunding bond, for a period of 90 days or less until such proceeds are needed for the purpose for which the bonds are issued,

(b) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the Treasury Regulations, and

(c) amounts deposited in any reasonably required reserve or replacement fund to the extent such amounts do not exceed 10 percent of the proceeds of the Bonds;

(7) to otherwise restrict the use of the proceeds of the Bonds or amounts treated as proceeds of the Bonds, as may be necessary, so that the Bonds do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage);

(8) to refrain from using the proceeds of the Bonds or proceeds of any prior bonds to pay debt service on another issue more than 90 days after the date of issue of the Bonds in contravention of the requirements of section 149(d) of the Code (relating to advance refundings); and

(9) to pay to the United States of America at least once during each five-year period (beginning on the date of delivery of the Bonds) an amount that is at least equal to 90 percent of the “Excess Earnings”, within the meaning of section 148(f) of the Code and to pay to the United States of America, not later than 60 days after the Bonds have been paid in full, 100 percent of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code.

B. Rebate Fund. In order to facilitate compliance with the above covenant (8), a “Rebate Fund” is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the Holders of the Bonds. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

C. Proceeds. The Issuer understands that the term “proceeds” includes “disposition proceeds” as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds and any replacement funds administered by the Texas State Board of Education as part of the Permanent School Fund. It is the understanding of the Issuer that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the Issuer will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the Issuer agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the Issuer hereby authorizes and directs any Authorized Official to execute any documents, certificates or reports required by the Code and to make such elections, on behalf of the Issuer, which may be permitted by the Code as are consistent with the purpose for the issuance of the Bonds.

D. Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Order (the *Project*) on its books and records in accordance with the requirements of the Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

E. Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this



covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

F. Written Procedures. Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Board hereby adopts and establishes the instructions attached hereto as Exhibit G, as the Issuer's written procedures.

G. Reimbursement. This Order is intended to satisfy the official requirements set forth in section 1.150-2 of the Treasury Regulations.

SECTION 21: Control and Custody of Bonds. The President of the Board of Trustees shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchasers.

Furthermore, each Authorized Official is hereby authorized and directed to furnish and execute such documents relating to the Issuer and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Issuer's Financial Advisor, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 22: Satisfaction of Obligation of Issuer. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, or any principal amounts thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amounts at Stated Maturity, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amounts of thereof, on and prior to the Stated Maturity thereof. In the event of a defeasance of the Bonds, the District shall deliver a certificate from its financial advisor, an independent accounting firm, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal and interest due on any defeased Bonds. To the extent applicable, if at all, the District covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which

would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code.

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

SECTION 23: Order a Contract – Amendments – Outstanding Bonds. The Issuer acknowledges that the covenants and obligations of the Issuer herein contained are a material inducement to the purchase of the Bonds. This Order shall constitute a contract with the Holders from time to time, shall be binding on the Issuer, and shall not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section. The Issuer, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 24: Facilities Allotment Revenues. In connection with the issuance of the Bonds, the Issuer may make application to the Texas Education Agency for financial assistance from the State of Texas (the *State*) in accordance with the instructional facilities allotment funding program established pursuant to Chapter 46, as amended, Texas Education Code (the *Program*). In each fiscal year in which the Issuer received funding under the existing debt allotment program, the Program, or any successor State funding programs which provide a debt service subsidy for the Bonds (such funds being collectively referred to herein as Debt Subsidy Funds), the Issuer shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Bond Fund created pursuant to Section 10. Notwithstanding the requirements of Section 11, if the Debt Subsidy Funds are actually on deposit in the Bond Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 11 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Bond Fund.

SECTION 25: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Bond Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board of Trustees and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Order.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 26: Printed Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of Cantu Harden Montoya LLP, San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Bonds, the opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of the opinion on the reverse side of each of the Bonds, with an appropriate certificate pertaining thereto executed by the facsimile signature of the Secretary of the Board of Trustees, is hereby approved and authorized.

SECTION 27: CUSIP Numbers. CUSIP numbers may be printed on 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 Issuer nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

SECTION 28: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 29: Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Paying Agent/Registrar, Bond Counsel, Financial Advisor, Purchasers, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer, the Paying Agent/Registrar, Bond Counsel, Financial Advisor, the Purchasers, and the Holders.

SECTION 30: Inconsistent Provisions. All orders, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters herein provided.

SECTION 31: Construction of Terms. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

SECTION 32: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 33: Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other persons or circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

SECTION 34: Public Meeting. It is officially found, determined, and declared that the meeting at which this Order is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 35: Authorization of Paying Agent/Registrar Agreement. The Board hereby finds and determines that it is in the best interest of the Issuer to authorize the execution of a Paying Agent/Registrar Agreement pertaining to the registration, transferability, exchange, and payment of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit B and is incorporated herein by reference as fully as if recopied in its entirety in this Order.

SECTION 36: Authorization of Contracts with Financial Advisor and/or Bond Counsel. The Board authorizes the President of the Board of Trustees and/or the Superintendent of Schools, or their designees, to take all actions necessary to execute any necessary financial advisory contracts with Nickel Hayden Advisors, as the financial advisor to the District (the Financial Advisor). The City understands that under applicable federal securities laws and regulations that the District must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Bonds. In addition, the Board also authorizes the President of the Board of Trustees and/or the Superintendent of Schools, or their designees, to take all actions necessary to execute any necessary engagement agreement with Cantu Harden Montoya LLP, as Bond Counsel, Tax Counsel, and Disclosure Counsel to the District in connection with the issuance of the Bonds.

SECTION 37: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Order are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 38: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 39: No Recourse Against Issuer Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Order against any official of the Issuer or any person executing any Bond.

## SECTION 40: Continuing Disclosure Undertaking.

### A. Definitions.

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

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

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

*MSRB* means the Municipal Securities Rulemaking Board.

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

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

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

### B. Annual Reports.

The District shall file annually with the MSRB, (1) within six (6) months after the end of each fiscal year of the District ending in or after 2024, financial information and operating data with respect to the District of the general type included in the final Official Statement authorized by Section 16 of this Order, being the information described in Exhibit F hereto, and (2) if not provided as part such financial information and operating data, audited financial statements of the District, when and if available, but in any case within twelve (12) months after the end of each fiscal year of the District ending in or after 2024. If the audit of such financial statements is not complete within such period, then the District shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit F hereto, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the District commissions an audit of such financial statements and the audit is completed within the period during which they must be provided.

Under current Texas law, including, but not limited to, Chapter 44, as amended, Texas Education Code, the District must keep its fiscal records in accordance with generally accepted

accounting principles, must have its financial accounts and records audited by a certified or permitted public accountant and must file each audit report with the Texas Education Agency within 150 days after the close of the District's fiscal year. Copies of each audit report must also be filed in the office of the District and with the Secretary, Board of Trustees. The District's fiscal records and audit reports are available for public inspection during the regular business hours of the Superintendent of Schools. Additionally, upon the filing of these financial statements and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course

of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

(14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;

(15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

#### D. Limitations, Disclaimers, and Amendments.

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

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District’s financial results, condition, or prospects or hereby undertake to update any information provided

in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

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

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

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



E. Information Format- Incorporation by Reference.

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

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

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the District hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit H, with which the District shall follow to assure compliance with the Undertaking. The District has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the District’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the District and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

SECTION 41: Book-Entry-Only System.

The Bonds shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit I (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the Issuer 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 Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest on the Bonds 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 or drafts being mailed to the Holder, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

**SECTION 42: Further Procedures.** The officers and employees of the Issuer are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the initial sale and delivery of the Bonds, the Paying Agent/Registrar Agreement, and the Purchase Contract. In addition, prior to the initial delivery of the Bonds, each Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to

any of the instruments authorized and approved by this Order necessary in order to (1) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (2) obtain a rating from any nationally recognized rating service, or (3) obtain the approval of the Bonds by the Texas Attorney General's office. Bond Counsel is further authorized to institute any bond validation suit under Chapter 1205, as amended, Texas Government Code (or any successor statute thereto) related to the Bonds while the Bonds are Outstanding and unpaid. In case any officer of the Issuer whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 43: Delegation Authorization Pursuant to HB 1295. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, pursuant to Chapter 1371, and any other applicable law, the Board, pursuant to Chapter 1371 and other applicable law, hereby delegates to the Superintendent of Schools, the Chief Business Officer, or the Associate Superintendent of Schools the authority to independently select the counterparty to any paying agent/registrar, rating agency, bond insurer, securities depository, or any other contract that is determined by the Superintendent of Schools, the Chief Business Officer, the District's Financial Advisor, or the District's Bond Counsel to be necessary or incidental to the issuance of the Bonds as long as each of such contracts has a value of less than the amount referenced in Section 2252.908, as amended, Texas Government Code (collectively, the *Ancillary Bond Contracts*) and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the District. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 44: Issuer's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the Issuer hereby consents to and authorizes any Authorized Official, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 45: Effective Date. This Order shall be in force and effect from and after its passage on the date shown below.

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

PASSED AND ADOPTED, this 28<sup>th</sup> day of May, 2024.

CANUTILLO INDEPENDENT SCHOOL  
DISTRICT

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President, Board of Trustees

ATTEST:

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Secretary, Board of Trustees

(DISTRICT SEAL)

## INDEX TO EXHIBITS

Schedule I .....	Table of Refunded Obligations
Exhibit A.....	Approval Certificate
Exhibit B.....	Paying Agent/Registrar Agreement
Exhibit C.....	Purchase Contract
Exhibit D.....	Escrow Deposit Letter
Exhibit E .....	Notice of Redemption
Exhibit F .....	Description of Annual Financial Information
Exhibit G.....	Written Procedures Relating to Continuing Compliance with Federal Tax Covenants
Exhibit H.....	General Policies and Procedures Concerning Compliance with the Rule
Exhibit I .....	DTC Letter of Representations

## **SCHEDULE I**

### **Table of Refunded Obligations**

Canutillo Independent School District Maintenance Tax Notes, Series 2020, dated June 1, 2020, in the original principal amount of \$9,775,000 and stated to mature in each of the years 2024 through 2030 in the principal amount of \$7,285,000. These obligations have been called for redemption on \_\_\_\_\_, 20\_\_\_\_.

## **EXHIBIT A**

Approval Certificate

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

**EXHIBIT B**

Paying Agent/Registrar Agreement

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



**EXHIBIT C**

Purchase Contract

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

**EXHIBIT D**

Escrow Deposit Letter

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

## **EXHIBIT E**

Notice of Redemption

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

## **EXHIBIT F**

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

The following information is referred to in Section 40 of this Order.

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

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

(1) The District's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the portions of the unaudited financial statements of the District appended to the Official Statement as APPENDIX B, but for the most recently concluded fiscal year.

(2) All quantitative financial information and operating data with respect to the District of the general type included in this Official Statement in APPENDIX A, Tables 1 through 5 and 7 through 12, and (2) if not provided as part such financial information and operating data, audited financial statements of the District, when and if available.

#### **Accounting Principles**

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

## EXHIBIT G

### WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, the District's business manager (the *Responsible Person*), which currently is the District's Chief Business Officer, will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within six (6) months of the date of delivery of the Bonds (the *Issue Date*);
- (ii) monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Bonds after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the District (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended.

- (ii) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bonds are outstanding, any person, other than the District, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bonds and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Bonds. If any portion of the Bonds is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the District's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

## EXHIBIT H

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

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 40 of the Order. “Bonds” refers to the Bonds that are the subject of the Order to which this Exhibit is attached.

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

III. The District is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 40 of the Order, which provisions are a part of the Undertaking.

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

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

1. the Superintendent of the District or the Chief Business Officer (each, a *Compliance Officer*) shall be responsible for satisfying the District’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the District’s information of the type described in Section 40 of the Order;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 40 of the Order;

4. the Compliance Officer shall work with external consultants of the District, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the District and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the District, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any District agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the District; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the District’s internal staff identified by the Compliance Officer to assist with the District’s satisfaction of the terms and provisions of the Undertaking.



## **EXHIBIT I**

DTC Letter of Representations

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