

ORDER AUTHORIZING THE ISSUANCE OF SMITHVILLE INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, IN ONE OR MORE SERIES; LEVYING A TAX AND PROVIDING FOR THE SECURITY AND PAYMENT THEREOF; AUTHORIZING A PRICING OFFICER TO APPROVE THE AWARD OF THE SALE THEREOF IN ACCORDANCE WITH SPECIFIED PARAMETERS; AUTHORIZING THE REDEMPTION PRIOR TO MATURITY OF CERTAIN OUTSTANDING BONDS; AND ENACTING OTHER PROVISIONS RELATED THERETO

STATE OF TEXAS §  
COUNTIES OF BASTROP AND FAYETTE §  
SMITHVILLE INDEPENDENT SCHOOL DISTRICT §

WHEREAS, the Smithville Independent School District (the “District”) has heretofore issued and now desires to refund in advance of their maturities all or a portion of the obligations described in Exhibit A to this Order (collectively, the “Refunding Candidates”), subject to certain parameters set forth herein; and

WHEREAS, the District is authorized by Chapter 1207, Texas Government Code, as amended, to issue refunding bonds for the purpose of refunding the Refunded Bonds (hereinafter defined) and to accomplish such refunding by depositing directly with any place of payment for the Refunded Bonds or a trust company, commercial bank or other eligible financial institution the proceeds from the sale of such refunding bonds, together with any other lawfully available funds, in an amount sufficient to provide for the payment or redemption of the Refunded Bonds, and pursuant to such chapter such deposit shall constitute the making of firm banking and financial arrangements for the discharge and final payment or redemption of the Refunded Bonds; and

WHEREAS, it is hereby found and determined that each refunding must result in debt service savings to the District, as herein provided, and that such savings are sufficient consideration and constitute the public purpose for the issuance of each series of refunding bonds herein authorized and the refunding of the Refunded Bonds, and each such refunding is in the best interest of the District; and

WHEREAS, all of the Refunded Bonds mature or are subject to redemption prior to maturity within twenty (20) years of the date of the refunding bonds hereinafter authorized; and

WHEREAS, upon the issuance of the refunding bonds and the deposit of moneys and investments herein authorized, the Refunded Bonds shall no longer be regarded as being outstanding, except for the purpose of being paid from such moneys and investments, and the pledges, liens, trusts and all other covenants, provisions, terms and conditions of the order(s) authorizing the issuance of the Refunded Bonds shall be, with respect to the Refunded Bonds, discharged, terminated and defeased; and

WHEREAS, pursuant to Section 1207.007, Texas Government Code, as amended, the District desires to delegate the authority to effect the sale of the Bonds to the Pricing Officer (hereinafter defined); and

NOW, THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE SMITHVILLE INDEPENDENT SCHOOL DISTRICT:

Section 1. Definitions; Interpretations. Throughout this Order the following terms and expressions as used herein shall have the meanings set forth below, except as otherwise provided in the Pricing Certificate for the Bonds:

The term “Accreted Value” shall mean the original principal amount of a Capital Appreciation Bond plus the initial premium, if any, paid therefor with interest thereon compounded semiannually on the dates established by a Pricing Officer (each such date being an “Accretion Date”) as the case may be, next preceding the date of such calculation (or the date of calculation, if such calculation is made on an Accretion Date), at the stated yield shown therefor in the Table of Accreted Values set forth in the Pricing Certificate. For any date other than an Accretion Date, the Accreted Value shall be determined by a straight-line interpolation between the values for the applicable semi-annual compounding dates, based on 30-day months.

The term “Attorney General” shall mean the Attorney General of Texas.

The term “Authorized Denomination” shall mean any authorized denomination established in the Pricing Certificate.

The term “Board” shall mean the Board of Trustees of the District.

The term “Bonds” shall mean the Capital Appreciation Bonds and the Current Interest Bonds of each series initially issued pursuant to this Order and all substitute Capital Appreciation Bonds and Current Interest Bonds exchanged therefor, as well as any substitute bonds or replacement bonds issued pursuant to this Order; and, the term “Bond” shall mean any of the Bonds of such series.

The term “Business Day” shall mean any day which is not a Saturday, Sunday, a day on which the Registrar is authorized by law or executive order to remain closed or a legal holiday.

The term “Capital Appreciation Bonds” shall mean the Bonds on which no interest is paid prior to maturity, maturing in the years and in the principal amounts set forth in the Pricing Certificate.

The term “Code” shall mean the Internal Revenue Code of 1986, as amended.

The term “Comptroller” shall mean the Comptroller of Public Accounts of the State of Texas.

The term “Current Interest Bonds” shall mean the Bonds on which interest is paid periodically on Interest Payment Dates therefor, maturing in the years and in the principal amounts set forth in the Pricing Certificate.

The term “Debt Service Fund” shall mean the Debt Service Fund established by the District pursuant to Section 22 of this Order.

The term “Defeasance Securities” shall mean (i) direct non-callable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America; (ii) non-callable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; and (iii) non-callable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded that are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, which, in the case of (i), (ii) or (iii), may be in book-entry form.

The term “District” shall mean the Smithville Independent School District, and any successor to its duties and functions.

The term “DTC” shall mean The Depository Trust Company, New York, New York, or any successor securities depository.

The term “DTC Participant” shall mean brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants.

The term “Escrow Agent” shall mean the place of payment for the Refunded Bonds or a trust company, commercial bank or other eligible financial institution identified in the Escrow Agreement, and its successors in such capacity.

The term “Escrow Agreement” shall mean an escrow agreement or escrow deposit letter between the District and the Escrow Agent, referred to in Section 27 of this Order.

The term “Financial Obligation” shall mean 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.

The term “Interest Payment Date,” when used in connection with any Current Interest Bond, shall mean the date or dates specified in the Pricing Certificate.

The term “Maturity Amount,” as used with respect to any Capital Appreciation Bond, shall mean the amount paid to the Owner thereof at maturity, which shall include both principal and accrued interest.

The term “Maximum Rate” shall mean the maximum “net effective interest rate” allowable under Section 1204.006, Texas Government Code, as amended, currently 15%.

The term “MSRB” shall mean the Municipal Securities Rulemaking Board.

The term “Order” as used herein and in the Bonds shall mean this order authorizing the Bonds.

The term “Outstanding,” when used with respect to the Bonds of each series, shall mean, as of a particular date, all Bonds of such series theretofore and thereupon delivered pursuant to this Order except: (a) any Bond of such series cancelled by or on behalf of the District at or before such date; (b) any Bond of such series defeased pursuant to the defeasance provisions of this Order or otherwise defeased as permitted by applicable law; and (c) any Bond of such series in lieu of or in substitution for which a replacement Bond shall have been delivered pursuant to this Order.

The term “Owner” or “Registered Owner” shall mean any person who shall be the registered owner of any outstanding Bond.

The term “Paying Agent/Registrar Agreement” shall mean the agreement referred to in Section 9 of this Order.

The term “Pricing Certificate” means a certificate signed by the Pricing Officer establishing the terms and features of each series of Bonds in accordance with Sections 3, 4 and 5 hereof, substantially in the form of Exhibit B.

The term “Pricing Officer” shall mean the Superintendent or the Business Manager.

The term “Purchase Contract” shall mean the contract, agreement or investment letter between the District and the Purchaser referred to in Section 23 of this Order.

The term “Purchaser” shall mean the purchaser or purchasers of the Bonds of each series identified in the Pricing Certificate for such series of Bonds.

The term “Record Date” shall mean the day specified in the Pricing Certificate.

The term “Refunded Bonds” shall mean the Refunding Candidates that are further identified as Refunded Bonds in the Pricing Certificate.

The term “Refunding Candidates” shall mean those certain bonds set forth in Exhibit A hereto.

The term “Register” shall mean the books of registration kept by the Registrar in which are maintained the names and addresses of, and the principal amounts of the Bonds registered to, each Owner.

The term “Registrar” shall mean the bank or trust company identified in the Paying Agent/Registrar Agreement referred to in Section 9 of this Order and its successors in the capacities of paying agent and registrar for the Bonds.

The term “Rule” shall mean SEC Rule 15c2-12, as amended from time to time.

The term “SEC” shall mean the United States Securities and Exchange Commission.

The term “Tax-Exempt Bonds” shall mean Bonds, the interest on which is intended to be excludable from gross income for federal income tax purposes, as determined and set forth in the Pricing Certificate therefor.

The term “Taxable Bonds” shall mean Bonds the interest on which is not intended to be excludable from gross income for federal income tax purposes, as determined and set forth in the Pricing Certificate therefor.

(a) All terms defined herein and all pronouns used in this Order shall be deemed to apply equally to singular and plural and to all genders. The titles and headings of the sections are for convenience of reference only and are not to be considered a part hereof and shall not in any way modify or restrict any of the terms and provisions hereof. This Order and all the terms and provisions hereof shall be liberally construed to effectuate the purposes set forth herein and to sustain the validity of the Bonds and the validity of the levy of ad valorem taxes to pay the principal of and interest on the Bonds.

(b) Any duty, responsibility, privilege, power or authority conferred by this Order upon an officer shall extend to an individual who occupies such office in an interim, acting or provisional capacity.

Section 2. Authorization. Subject to the limitations set forth in Section 5 of this Order, the Bonds may be issued pursuant to and in strict conformity with the Constitution and laws of the State of Texas, particularly Chapter 1207, Texas Government Code, as amended, in such number of series and at such time as the Pricing Officer shall determine, for the purposes of (a) refunding the Refunded Bonds and (b) paying the costs of issuance of the Bonds and of refunding the Refunded Bonds. In addition, Bonds may be issued as Tax-Exempt Bonds, Taxable Bonds, Current Interest Bonds and/or Capital Appreciation Bonds, as determined by the Pricing Officer. The Bonds of each series shall be issued in fully registered form, without coupons, in the principal amount set forth in the Pricing Certificate therefor.

Section 3. Designation and Date. The Bonds of each series shall be designated and shall be dated as provided in the Pricing Certificate therefor.

Section 4. Initial Bonds; Numbers, Interest Rates, Interest Payment Dates and Denominations. The Bonds of each series shall be issued bearing the numbers and maturing on the dates, in the years and in the amounts set forth in the Pricing Certificate, and the Bonds shall bear interest from the date or dates and at the rate or rates (and such interest shall be calculated in the manner) set forth in the Pricing Certificate. Interest on the Current Interest Bonds shall be payable on each Interest Payment Date, as provided in the Pricing Certificate. Interest on the Capital Appreciation Bonds shall be payable only at maturity or prior redemption. Bonds may be transferred and exchanged as provided in this Order, and Bonds delivered on transfer of or in exchange for other Bonds shall be numbered (with appropriate prefix) in order of their authentication by the Registrar, shall be in Authorized Denominations, and shall mature on the same date and bear interest at the same rate as the Bond or Bonds in lieu of which they are delivered.

Section 5. Delegation to Pricing Officer.

(a) As authorized by Section 1207.007, Texas Government Code, the Pricing Officer is hereby authorized to act on behalf of the District in selling and delivering the Bonds and carrying out the other procedures specified in this Order, including, without

limitation, determining the method and manner of sale of the Bonds (private or public), the date on and price at which the Bonds will be sold, the issuance date and dated date therefor, the designation or title by which the Bonds shall be known, whether particular Bonds will be issued as Current Interest Bonds or Capital Appreciation Bonds, whether particular Bonds will be issued as Tax-Exempt Bonds or Taxable Bonds, the years in which the Bonds will mature, the aggregate principal amount of the Bonds, the principal amount or Maturity Amount, as appropriate, to mature in each year of maturity, the rate or rates of interest to be borne by each such maturity, the Interest Payment Dates and Record Dates therefor, any redemption provisions applicable thereto (including optional and mandatory sinking fund redemption provisions), the Refunding Candidates that are to be the Refunded Bonds, the Authorized Denominations for the Bonds, and all other terms and provisions of and details and matters relating to the Bonds and their issuance, sale and delivery, including making application for the Bonds to be guaranteed by the Permanent School Fund or procuring bond insurance with one or more bond insurers, if any, and the refunding of the Refunded Bonds, including establishing the date or dates of redemption for and effecting the defeasance and redemption of the Refunded Bonds, all of which shall be specified in the Pricing Certificate, in the form attached hereto as Exhibit B, with such changes in such form as the Pricing Officer shall determine; provided that:

- (i) the aggregate principal amount of the Bonds shall not exceed \$7,570,000;
- (ii) the final maturity of the Bonds shall not be later than August 15, 2047;
- (iii) the refunding must produce positive gross debt service savings net of any District contribution to the refunding, as shown by a table of calculations prepared by the District's financial advisor and attached to the Pricing Certificate;
- (iv) the true interest rate of the Bonds (expressed as an interest rate and being the rate used to determine the federal income tax arbitrage yield) shall not exceed the Maximum Rate; and
- (v) any finding by a Pricing Officer relating to the sale and delivery of the Bonds and the designation of particular Refunding Candidates to be refunded shall have the same force and effect as a finding or determination made by the Board.

(b) If Bonds are issued in more than one series, the provisions of this Order shall apply to each such series in the manner, to the extent and subject to such terms and conditions as shall be specified in the Pricing Certificate therefor. Any finding by a Pricing Officer relating to the sale and delivery of the Bonds and the designation of particular Refunding Candidates to be Refunded Bonds shall have the same force and effect as a finding or determination made by the Board.

(c) The Pricing Officer may approve modifications to this Order to conform to the terms of the Bonds, as approved by the Pricing Officer, and execute any instruments, agreements and other documents as the Pricing Officer shall deem necessary or appropriate in connection with the issuance, sale and delivery of Bonds pursuant to this Order.

(d) In establishing the aggregate principal amount of the Bonds of each series, the Pricing Officer shall establish an amount, not exceeding the amount authorized in subsection (a) above, which shall be sufficient to provide for the purposes for which the Bonds are authorized and to pay the costs of issuing the Bonds and refunding the Refunded Bonds. The Bonds of each series shall be sold at such price, with and subject to such terms, as set forth in the Pricing Certificate therefor; provided, however, that no series of Bonds shall be issued or delivered (i) bearing interest at a rate that exceeds the Maximum Rate and (ii) unless prior to delivery such Bonds have been rated by a nationally-recognized rating agency for municipal securities in one of the four (4) highest rating categories for long-term obligations.

(e) The authority to act on behalf of the Board in selling Bonds conferred by this Section and to execute a Purchase Contract or winning bid for each series of Bonds pursuant to Section 23 shall expire at 11:59 p.m. on the 180<sup>th</sup> day following the date of this Order (the “Expiration Date”). Bonds sold pursuant to a Purchase Contract or winning bid executed on or before the Expiration Date may be delivered after such date.

Section 6. Execution of Bonds; Seal. The Bonds shall be signed by the President or Vice President of the Board and countersigned by the Secretary of the Board or Assistant Secretary of the Board, by their manual, lithographed or facsimile signatures, and the official seal of the District shall be impressed or placed in facsimile thereon. Such facsimile signatures on the Bonds shall have the same effect as if each of the Bonds had been signed manually and in person by each of such officers, and such facsimile seal on the Bonds shall have the same effect as if the official seal of the District had been manually impressed upon each of the Bonds. If any officer of the District whose manual or facsimile signature appears on the Bonds shall cease to be such officer before the authentication of such Bonds or before the delivery of such Bonds, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in such office.

Section 7. Approval by Attorney General; Registration by Comptroller. The Bonds to be initially issued shall be delivered to the Attorney General for approval and shall be registered by the Comptroller. The President or Vice President and the Secretary of the Board are authorized hereby to have control and custody of the Bonds and all necessary records and proceedings pertaining thereto pending their delivery, and the President or the Vice President and the Secretary and other officers and employees of the District are hereby authorized and directed to make such certifications and to execute such instruments as may be necessary to accomplish the delivery of the Bonds and to assure the investigation, examination and approval thereof by the Attorney General and the registration of the initial Bonds by the Comptroller. Upon registration of the Bonds, the Comptroller (or the Comptroller’s bond clerk, or an assistant bond clerk lawfully designated in writing to act for the Comptroller) shall execute the registration certificate of the Comptroller substantially in the form provided in Exhibit B of this Order in the manner provided by law, and such certificate shall be affixed or attached to the Bonds to be initially issued, and the seal of the Comptroller shall be impressed, or placed in facsimile, thereon.

Section 8. Authentication. Except for the Bonds to be initially issued, which need not be authenticated by the Registrar, only such Bonds as shall bear thereon a certificate of authentication, substantially in the form provided in Exhibit B of this Order, executed by an

authorized representative of the Registrar, shall be entitled to the benefits of this Order or shall be valid or obligatory for any purpose. Such duly executed certificate of authentication shall be conclusive evidence that the Bond so authenticated was delivered by the Registrar hereunder.

Section 9. Payment of Principal and Interest. The Registrar is hereby appointed as the registrar and paying agent for the Bonds pursuant to the terms and provisions of the Paying Agent/Registrar Agreement, substantially in the form presented at the meeting at which this Order was adopted, and which is hereby authorized and approved by the Board and which the appropriate officials of the District are hereby authorized to execute. The officers of the District are each hereby authorized to execute, attest and affix the District's seal to the Paying Agent/Registrar Agreement, the terms and provisions of which are hereby approved. Such initial registrar and paying agent and any successor, by undertaking the performance of the duties of the registrar and paying agent hereunder, and in consideration of the payment of any fees pursuant to the terms of the agreement between the Registrar and the District and/or the deposits of money pursuant to this Order, shall be deemed to accept and agree to abide by the terms of this Order. All money transferred to the Registrar in its capacity as registrar or paying agent for the Bonds under this Order (except any sums representing registrar or paying agent fees) shall be held in trust for the benefit of the District, shall be the property of the District and shall be disbursed in accordance with this Order. Subject to the provisions of Section 12 of this Order, all matured Bonds presented to the Registrar for payment shall be paid without the necessity of further instructions from the District. Such Bonds shall be cancelled as provided herein.

The principal or redemption price of the Current Interest Bonds and the Maturity Amount of Capital Appreciation Bonds shall be payable, without exchange or collection charges, in any coin or currency of the United States of America which, on the date of payment, is legal tender for the payment of debts due the United States of America, upon their presentation and surrender as they respectively become due and payable, at the corporate trust office of the Registrar. The interest on each Current Interest Bond shall be payable by check on the Interest Payment Date, mailed by the Registrar on or before each Interest Payment Date to the Owner of record as of the Record Date, to the address of such Owner as shown on the Register. Any accrued interest payable at maturity on a Current Interest Bond shall be paid upon presentation and surrender of such Bond at the corporate trust office of the Registrar.

If the date for payment of the principal of or interest on any Bond is not a Business Day, then the date for such payment shall be the next succeeding Business Day with the same force and effect as if made on the date payment was originally due.

Section 10. Successor Registrars. The District covenants that at all times while any Bonds are outstanding it will provide a legally qualified bank, trust company, financial institution or other agency to act as Registrar for the Bonds. The District reserves the right to change the Registrar for the Bonds on not less than sixty (60) days' written notice to the Registrar, as long as any such notice is effective not less than 60 days prior to the next succeeding principal or interest payment date on the Bonds. Promptly upon the appointment of any successor Registrar, the previous Registrar shall deliver the Register or a copy thereof to the new Registrar, and the new Registrar shall notify each Owner, by United States mail, first class postage prepaid, of such change and of the address of the new Registrar. Each Registrar hereunder, by acting in that capacity, shall be deemed to have agreed to the provisions of this Order.

Section 11. Special Record Date. If interest on any Current Interest Bond is not paid on any Interest Payment Date and continues unpaid for thirty (30) days thereafter, the Registrar shall establish a new record date for the payment of such interest, to be known as a Special Record Date. The Registrar shall establish a Special Record Date when funds to make such interest payment are received from or on behalf of the District. Such Special Record Date shall be fifteen (15) days prior to the date fixed for payment of such past due interest, and notice of the date of payment and the Special Record Date shall be sent by United States mail, first class, postage prepaid, not later than five (5) days prior to the Special Record Date, to each Owner of record of an affected Bond as of the close of business on the Business Day prior to the mailing of such notice.

Section 12. Ownership; Unclaimed Principal and Interest. The District, the Registrar and any other person may treat the person in whose name any Bond is registered as the absolute Owner of such Bond for the purpose of making and receiving payment of the principal of or interest on such Bond and for all other purposes, whether or not such Bond is overdue, and neither the District nor the Registrar shall be bound by any notice or knowledge to the contrary. All payments made to the person deemed to be the Owner of any Bond in accordance with this Section shall be valid and effectual and shall discharge the liability of the District and the Registrar upon such Bond to the extent of the sums paid.

Amounts held by the Registrar which represent principal of and interest on the Bonds remaining unclaimed by the Owner after the expiration of three (3) years from the date such amounts have become due and payable shall be reported and disposed of by the Registrar in accordance with the applicable provisions of Texas law, including, to the extent applicable, Title 6 of the Texas Property Code, as amended. To the extent such provisions of the Property Code do not apply to the funds, such funds shall be paid by the Registrar to the District upon receipt by the Registrar of a written request therefor from the District. The Registrar shall have no liability to the Owners of the Bonds by virtue of actions taken in compliance with this Section.

Section 13. Registration, Transfer and Exchange. As long as any Bonds remain Outstanding, the Registrar shall keep the Register at its corporate trust office and, subject to such reasonable regulations as it may prescribe, the Registrar shall provide for the registration and transfer of Bonds in accordance with the terms of this Order.

Each Bond shall be transferable only upon the presentation and surrender thereof at the corporate trust office of the Registrar, duly endorsed for transfer or accompanied by an assignment duly executed by the registered Owner or his authorized representative in form satisfactory to the Registrar. Upon due presentation of any Bond in proper form for transfer, the Registrar shall authenticate and deliver in exchange therefor, within seventy-two (72) hours after such presentation, a new Bond or Bonds of the same type (Current Interest or Capital Appreciation), registered in the name of the transferee or transferees, in authorized denominations and of the same maturity and aggregate principal amount (for Current Interest Bonds) or Maturity Amount (for Capital Appreciation Bonds) and bearing interest at the same rate as the Bond or Bonds so presented.

All Bonds shall be exchangeable upon presentation and surrender thereof at the corporate trust office of the Registrar for a Bond or Bonds of the same type (Current Interest or Capital Appreciation), maturity and interest rate and in any authorized denomination or Maturity Amount,

in an aggregate principal amount equal to the unpaid principal amount or Maturity Amount of the Bond or Bonds presented for exchange. The Registrar shall be and is hereby authorized to authenticate and deliver exchange Bonds in accordance with the provisions of this Section. Each Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such Bond is delivered.

The District or the Registrar may require the Owner of any Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with the transfer or exchange of such Bond. Any fee or charge of the Registrar for such transfer or exchange shall be paid by the District.

The Registrar shall not be required to transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Owner of the unredeemed portion of a Bond called for redemption in part.

Section 14. Book-Entry Only System. The definitive Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of DTC, and except as provided in Section 16 hereof, all of the Outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC. Upon delivery by DTC to the Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the Owner at the close of business on the Record Date, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Registrar shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Registrar shall have no responsibility or obligation with respect to (a) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (b) the delivery to any DTC Participant or any other person, other than a Bondholder, as shown on the Register, of any notice with respect to the Bonds, or (c) the payment to any DTC Participant or any other person, other than a Bondholder, as shown in the Register of any amount with respect to principal of, premium, if any, or interest on the Bonds.

Except as provided in Section 16 of this Order, the District and the Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Register as the absolute Owner of such Bond for the purpose of payment of principal of, premium, if any, and interest on Bonds and other matters with respect to such Bond, for the purpose of registering transfer with respect to such Bond, and for all other purposes whatsoever. The Registrar shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective owners, as shown in the Register as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner

shall receive a Bond certificate evidencing the obligation of the District to make payments of amounts due pursuant to this Order.

The Pricing Officer is authorized and directed to execute and deliver any agreements, certificates, letters and other instruments (including but not limited to a representation letter) in such form as such official shall approve and deem appropriate to evidence the District's obligations to DTC as securities depository in connection with the delivery of the Bonds and the District's other public securities in book-entry only form.

Section 15. Payments and Notices to Cede & Co.. Notwithstanding any other provision of this Order to the contrary, as long as any Bonds are registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on the Bonds, and all notices with respect to such Bonds shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

Section 16. Successor Securities Depository; Transfer Outside Book-Entry Only System. In the event that the District or the Registrar determines that DTC is incapable of discharging its responsibilities described herein and in the representation letter of the District to DTC and that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certified Bonds, the District or the Registrar shall (a) appoint a successor securities depository, qualified to act as such under Section 17(a) of the Securities Exchange Act of 1934, as amended, notify DTC of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (b) notify DTC of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Register in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Bondholders transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

Section 17. Mutilated, Lost or Stolen Bonds. Upon the presentation and surrender to the Registrar of a damaged or mutilated Bond, the Registrar shall authenticate and deliver in exchange therefor a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a damaged or mutilated Bond to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith, including the fees and expenses of the Registrar.

If any Bond is lost, apparently destroyed or wrongfully taken, the District, pursuant to the applicable laws of the State of Texas and in the absence of notice or knowledge that such Bond has been acquired by a bona fide purchaser, shall execute and the Registrar shall authenticate and deliver a replacement Bond of like maturity, interest rate and principal amount, bearing a number not contemporaneously outstanding. The District or the Registrar may require the Owner of a lost, apparently destroyed or wrongfully taken Bond, before any replacement Bond is issued, to:

- (a) furnish to the District and the Registrar satisfactory evidence of the ownership of and the circumstances of the loss, destruction or theft of such Bond;

(b) furnish such security or indemnity as may be required by the Registrar and the District to save them harmless;

(c) pay all expenses and charges in connection therewith, including, but not limited to, printing costs, legal fees, fees of the Registrar and any tax or other governmental charge that may be imposed; and

(d) meet any other reasonable requirements of the District and the Registrar.

If, after the delivery of a replacement Bond, a bona fide purchaser of the original Bond in lieu of which such replacement Bond was issued presents for payment such original Bond, the District and the Registrar shall be entitled to recover such replacement Bond from the person to whom it was delivered or any person taking therefrom, except a bona fide purchaser, and shall be entitled to recover upon the security or indemnity provided therefor to the extent of any loss, damage, cost or expense incurred by the District or the Registrar in connection therewith.

If any such mutilated, lost, apparently destroyed or wrongfully taken Bond has become or is about to become due and payable, the District in its discretion may, instead of issuing a replacement Bond, authorize the Registrar to pay such Bond.

Each replacement Bond delivered in accordance with this Section shall be entitled to the benefits and security of this Order to the same extent as the Bond or Bonds in lieu of which such replacement Bond is delivered.

Section 18. Cancellation of Bonds. All Bonds paid or redeemed in accordance with this Order, and all Bonds in lieu of which exchange Bonds or replacement Bonds are authenticated and delivered in accordance herewith, shall be cancelled and destroyed upon the making of proper records regarding such payment or redemption. The Registrar shall furnish the District with appropriate certificates of destruction of such Bonds.

Section 19. Redemption Prior to Maturity.

(a) The Bonds shall be subject to redemption as provided in the Pricing Certificate.

(b) Unless otherwise provided in the Pricing Certificate, Bonds may be redeemed only in integral multiples of \$5,000 of principal amount or Maturity Amount, as applicable. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Bonds for redemption, the Registrar shall treat each Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount or Maturity Amount, as applicable, of such Bond by \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 13 hereof, shall authenticate and deliver in exchange therefor a Bond or Bonds of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Bond so surrendered.

(c) Not less than thirty (30) days prior to a redemption date for the Bonds, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each Owner of a Bond to be redeemed in whole or in part at the address of such

Owner appearing on the Register at the close of business on the Business Day next preceding the date of mailing. Such notices shall state the redemption date, the redemption price, the place at which Bonds are to be surrendered for payment and, if less than all Bonds outstanding are to be redeemed, the numbers of Bonds or portions thereof to be redeemed. Any notice of redemption so mailed as provided in this Section will be conclusively presumed to have been duly given, whether or not the Owner receives such notice. By the date fixed for redemption, due provision shall be made with the Registrar for payment of the redemption price of the Bonds or portions thereof to be redeemed. When Bonds have been called for redemption in whole or in part and notice of redemption has been given as herein provided, the Bonds or portions thereof so redeemed shall no longer be regarded to be outstanding, except for the purpose of receiving payment solely from the funds so provided for redemption, and interest which would otherwise accrue or compound after the redemption date on any Bond or portion thereof called for redemption shall terminate on the date fixed for redemption.

(d) With respect to any optional redemption of the Bonds, unless all prerequisites to such redemption required by this Order and the Pricing Certificate have been met, including moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed having been received by the Registrar prior to the giving of notice of such redemption, such notice shall state that said redemption may, at the option of the District, be conditional upon the satisfaction of all prerequisites and receipt of such moneys by the Registrar on or prior to the date fixed for such redemption, and if such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 20. Forms. The forms of the Current Interest Bonds and the Capital Appreciation Bonds, including the form of Permanent School Fund Certificate, the Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas, which shall be attached or affixed to the Bonds initially issued, shall be, respectively, substantially as shown in Exhibit B hereto, with such additions, deletions and variations, including any insurance legend or statement, as may be necessary or desirable and not prohibited by this Order.

Section 21. Opinion of Bond Counsel; CUSIP Numbers. The approving opinion of Orrick, Herrington & Sutcliffe LLP, Austin, Texas, Bond Counsel, and CUSIP Numbers may be printed on the Bonds, but errors or omissions in the printing of such opinion or such numbers shall have no effect on the validity of the Bonds.

Section 22. Debt Service Fund; Tax Levy.

(a) A special fund for each series of Bonds (each a "Debt Service Fund") shall be created solely for the benefit of the Bonds of such series and shall be maintained by the District at an official depository bank of the District for as long as the Bonds of such series, or interest thereon, are outstanding and unpaid. Each Debt Service Fund shall be kept separate and apart from all other funds and accounts of the District and shall be used only

for paying the principal of and interest on the Bonds of such series. The proceeds from (i) all ad valorem debt service taxes levied, assessed and collected for and on account of the Bonds authorized by this Order and (ii) state aid, if any, that is required by law to be deposited in the Debt Service Fund for each series of Bonds shall be deposited, as collected, in the Debt Service Fund for such series of Bonds. Money on deposit in the Debt Service Fund may, at the option of the District, be invested as permitted under Texas law, provided that all such investments shall be made in such manner that the money will be available at the proper time or times. For purposes of maximizing investment returns, money in each Debt Service Fund may be invested with other money of the District in common investments, or in a common pool of investments, which shall not be deemed to be or constitute a commingling of such money as long as safekeeping receipts or certificates of participation clearly evidencing the investment or investment pool in which such money is invested and the share thereof purchased with such money or owned by such Debt Service Fund are held by or on behalf of such Debt Service Fund. Money in each Debt Service Fund for Tax-Exempt Bonds may, to the extent necessary, be used to make any required payments to the federal government under the Code to assure that interest on the Tax-Exempt Bonds is excludable from gross income for federal income tax purposes.

(b) During each year while the Bonds or any part of the principal thereof or interest thereon remain outstanding and unpaid, there is hereby levied and there shall be annually assessed and collected in due time, form and manner, and at the same time as other District taxes are assessed, levied and collected, in each year, beginning with the current year, a continuing direct annual ad valorem tax upon all taxable property in the District, without legal limit as to rate or amount, sufficient to pay the interest on the Bonds as the same becomes due and to pay each installment of the principal of the Bonds as the same matures, full allowance being made for delinquencies and costs of collection, provided, however, that the amount of tax levied shall take into account the proceeds of state aid payments, if any, on deposit or budgeted for deposit in the Debt Service Fund. Such taxes are hereby irrevocably pledged to the payment of the principal of and interest on the Bonds and to no other purpose.

(c) Unless the Pricing Certificate provides otherwise, the District hereby appropriates, from current funds on hand and legally available therefor, funds sufficient, when added to the accrued interest received from the sale of the Bonds, to pay the debt service coming due on the Bonds prior to receipt of taxes levied therefor.

Section 23. Sale; Purchase Contract; PSF Guarantee; Bond Insurance; Ratings.

(a) The Bonds of each series shall be sold and delivered to the Purchaser designated in the Pricing Certificate for such series of Bonds, at the price set forth in the Pricing Certificate for such series of Bonds, and in accordance with the terms of the Purchase Contract for such series of Bonds (in the case of a private sale or private placement) or the winning bid (in the case of a public sale), which the Pricing Officer is hereby authorized and directed to execute on behalf of the District. The Pricing Officer and all other officers, agents and representatives of the District are hereby authorized to do any and all things necessary or desirable to satisfy the conditions set out therein and to provide for the issuance and delivery of the Bonds of each series.

(b) The Pricing Officer and the District's financial advisor and other consultants are authorized to apply for and pay any costs associated with (i) a guarantee of the principal of and interest on the Bonds by the Permanent School Fund of the State of Texas and (ii) one or more municipal bond insurance policies to guarantee the payment of the principal of and interest on the Bonds, which guarantee or insurance shall be specified in the Pricing Certificate; and, any acts of the Pricing Officer relating to applications for any such guarantee or insurance are hereby authorized, approved, ratified and confirmed. The Pricing Certificate may contain provisions related to such bond insurance policies, including payment provisions thereunder, and the rights of the bond insurer(s), and any such provisions shall be read and interpreted as an integral part of this Order. The appropriate officials and representatives of the District are hereby authorized and directed to execute such commitments, agreements (including reimbursement agreements), certificates and other documents and to do any and all things necessary or desirable to obtain any such guarantee or insurance, and the printing on the Bonds of an appropriate legend or statement regarding such guarantee or insurance, as provided by the Texas Education Agency or a bond insurer for the Bonds, is hereby approved.

(c) The Pricing Officer and the District's financial advisor and other consultants are authorized hereby to take such actions as any such officer, official, advisor or consultant shall approve in seeking ratings on the Bonds from one or more nationally recognized statistical ratings organizations, and such actions taken before the date of this Order are hereby ratified, approved and confirmed.

#### Section 24. Tax Exemption of Tax-Exempt Bonds.

(a) The District intends that the interest on the Tax-Exempt Bonds shall be excludable from gross income of the owners thereof for federal income tax purposes pursuant to Sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable temporary, proposed and final regulations (the "Regulations") and procedures promulgated thereunder and applicable to the Tax-Exempt Bonds, and the District covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Tax-Exempt Bonds (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Tax-Exempt Bonds) and take or omit to take such other and further actions as may be required by Sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Tax-Exempt Bonds to be and remain excludable from the gross income, as defined in Section 61 of the Code, of the owners of the Tax-Exempt Bonds for federal income tax purposes. Without limiting the generality of the foregoing, the District shall comply with each of the following covenants:

(i) The District will use all of the proceeds of the Tax-Exempt Bonds to (A) provide funds for the purposes described in Section 2 hereof, which will be owned and operated by the District and (B) pay the costs of issuing the Tax-Exempt Bonds and the costs of refunding the Refunded Bonds. The District will not use any portion of the proceeds of the Tax-Exempt Bonds to pay the principal of or interest or redemption premium on, any other obligation of the District or a related person;

(ii) The District will not directly or indirectly take any action, or omit to take any action, which action or omission would cause the Tax-Exempt Bonds to constitute “private activity bonds” within the meaning of Section 141(a) of the Code;

(iii) Principal of and interest on the Tax-Exempt Bonds will be paid solely from ad valorem taxes collected by the District and investment earnings on such collections;

(iv) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Tax-Exempt Bonds are delivered, the District reasonably expects that the proceeds of the Tax-Exempt Bonds will not be used in a manner that would cause the Tax-Exempt Bonds or any portion thereof to be an “arbitrage bond” within the meaning of Section 148 of the Code;

(v) At all times while the Tax-Exempt Bonds are outstanding, the District will identify and properly account for all amounts constituting gross proceeds of the Tax-Exempt Bonds in accordance with the Regulations. The District will monitor the yield on the investments of the proceeds of the Tax-Exempt Bonds and, to the extent required by the Code and the Regulations, will restrict the yield on such investments to a yield which is not materially higher than the yield on the Tax-Exempt Bonds. To the extent necessary to prevent the Tax-Exempt Bonds from constituting “arbitrage bonds,” the District will make such payments as are necessary to cause the yield on all yield restricted nonpurpose investments allocable to the Tax-Exempt Bonds to be less than the yield that is materially higher than the yield on the Tax-Exempt Bonds;

(vi) The District will not take any action or knowingly omit to take any action that, if taken or omitted, would cause the Tax-Exempt Bonds to be treated as “federally guaranteed” obligations for purposes of Section 149(b) of the Code;

(vii) The District represents that not more than fifty percent (50%) of the proceeds of the Refunded Bonds were invested in nonpurpose investments (as defined in Section 148(f)(6)(A) of the Code) having a substantially guaranteed yield for four years or more within the meaning of Section 149(g)(3)(A)(ii) of the Code, and on the date of issue of the Refunded Bonds, the District reasonably expected that at least eighty-five percent (85%) of the spendable proceeds of the Refunded Bonds would be used to carry out the governmental purpose of the Refunded Bonds within the three-year period beginning on the date of issue of the Refunded Bonds;

(viii) The District will take all necessary steps to comply with the requirement that certain amounts earned by the District on the investment of the gross proceeds of the Tax-Exempt Bonds, if any, be rebated to the federal government. Specifically, the District will (A) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Tax-Exempt Bonds as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the District allocable to

other obligations of the District or moneys which do not represent gross proceeds of any obligations of the District and retain such records for at least six years after the day on which the last outstanding Tax-Exempt Bond is discharged, (B) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (C) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Tax-Exempt Bonds and (D) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the District will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty;

(ix) The District will not directly or indirectly pay any amount otherwise payable to the federal government pursuant to the foregoing requirements to any person other than the federal government by entering into any investment arrangement with respect to the gross proceeds of the Tax-Exempt Bonds that might result in a reduction in the amount required to be paid to the federal government because such arrangement results in a smaller profit or a larger loss than would have resulted if such arrangement had been at arm's length and had the yield on the Tax-Exempt Bonds not been relevant to either party;

(x) The District will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by Section 149(e) of the Code with respect to the Tax-Exempt Bonds on such form and in such place as the Secretary may prescribe;

(xi) The District will not issue or use the Tax-Exempt Bonds as part of an "abusive arbitrage device" (as defined in Section 1.148-10(a) of the Regulations). Without limiting the foregoing, the Tax-Exempt Bonds are not and will not be a part of a transaction or series of transactions that attempts to circumvent the provisions of Section 148 of the Code and the Regulations, by (A) enabling the District to exploit the difference between tax-exempt and taxable interest rates to gain a material financial advantage, or (B) increasing the burden on the market for tax-exempt obligations;

(xii) Proper officers of the District charged with the responsibility for issuing the Tax-Exempt Bonds are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Tax-Exempt Bonds and stating whether there are facts, estimates or circumstances that would materially change the District's expectations. On or after the date of issuance of the Tax-Exempt Bonds, the District will take such actions

as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates; and

(xiii) The covenants and representations made or required by this Section are for the benefit of the Tax-Exempt Bond holders and any subsequent Tax-Exempt Bond holder, and may be relied upon by the Tax-Exempt Bond holders and any subsequent Tax-Exempt Bond holder and bond counsel to the District.

(b) In complying with the foregoing covenants, the District may rely upon an unqualified opinion issued to the District by nationally recognized bond counsel that any action by the District or reliance upon any interpretation of the Code or Regulations contained in such opinion will not cause interest on the Tax-Exempt Bonds to be includable in gross income for federal income tax purposes under existing law.

(c) Notwithstanding any other provision of this Order, the District's representations and obligations under the covenants and provisions of this Section shall survive the defeasance and discharge of the Tax-Exempt Bonds for as long as such matters are relevant to the exclusion of interest on the Tax-Exempt Bonds from the gross income of the owners for federal income tax purposes.

Section 25. Qualified Tax-Exempt Obligations. In the event that the Tax-Exempt Bonds are eligible to be issued as "qualified tax-exempt obligations" as defined in Section 265(b)(3) of the Code, the Pricing Officer is authorized to designate or deem the Tax-Exempt Bonds as "qualified tax-exempt obligations" and, with respect to such designation, the Pricing Officer (acting on behalf of the Board) is authorized to make the following representations, which the Board hereby approves: (a) that during the calendar year in which the Tax-Exempt Bonds are issued, the District (including all entities which issue obligations on behalf of the District) shall not have designated and will not designate obligations, which when aggregated with the Tax-Exempt Bonds, will result in more than \$10 million of "qualified tax-exempt obligations" being issued and (b) that the District has examined its financing needs for the calendar year in which the Tax-Exempt Bonds are issued and reasonably anticipates that the amount of bonds, leases, loans or other obligations, together with the Tax-Exempt Bonds and any other tax-exempt obligations heretofore issued by the District (plus those of all entities which issue obligations on behalf of the District) during the calendar year in which the Tax-Exempt Bonds are issued, when the higher of the face amount or the issue price of each such tax-exempt obligations issued for the calendar year in which the Tax-Exempt Bonds are issued by the District is taken into account, will not exceed \$10 million.

Section 26. Use of Proceeds. Proceeds from the sale of the Bonds shall, promptly upon receipt by the District, be applied in accordance with the provisions set forth in the Pricing Certificate. In addition, in furtherance of the authority conferred by this Order, the Pricing Officer may direct that lawfully available funds of the District be applied, in such amounts as the Pricing Officer shall direct, deposited and invested to effect the defeasance and redemption of the Refunded Bonds.

Section 27. Arrangements for Defeasance of Refunded Bonds. Pursuant to Section 1207.007, Texas Government Code, as amended, the Board hereby authorizes and directs that the

Refunded Bonds shall be paid in the amounts and on the dates determined by the Pricing Officer, and the Pricing Officer is hereby authorized and directed to identify the specific maturities of the Refunding Candidates to be refunded and the amount, if any, of available funds to be deposited in the Escrow Fund for the Refunded Bonds. In addition, the Pricing Officer is authorized and directed to execute and deliver an escrow agreement, a deposit agreement or a similar agreement, a letter of instructions or any other instrument relating to the safekeeping, investment, administration and disposition of moneys deposited to effect the defeasance of the Refunded Bonds in such form and subject to such terms and conditions as the Pricing Officer determines may be necessary or convenient to carry out the intent and purpose of this Order.

Section 28. Redemption Prior to Maturity of Refunded Bonds. To maximize the District's present value savings and to minimize the District's costs of refunding, the District hereby authorizes and directs that certain of the Refunded Bonds shall be called for redemption prior to maturity in the amounts, on the dates and at the redemption prices set forth in the Pricing Certificate, and the appropriate officials of the District are hereby authorized and directed to take all necessary and appropriate action to give or cause to be given a notice of redemption to the holders or paying agent/registrars, as appropriate, of such Refunded Bonds, in the manner required by the documents authorizing the issuance of such Refunded Bonds.

Section 29. Purchase of Defeasance Securities. The Pricing Officer and the Escrow Agent are hereby authorized (a) to subscribe for, agree to purchase, and purchase securities that are permitted investments for a defeasance escrow established to defease the Refunded Bonds, and to execute any and all subscriptions, purchase agreements, commitments, letters of authorization and other documents necessary to effectuate the foregoing, and any actions heretofore taken for such purpose are hereby ratified and approved, and (b) to direct and provide for such contributions to the escrow fund from lawfully available funds of the District as are provided in the Pricing Certificate and in the Escrow Agreement.

Section 30. Continuing Disclosure Undertaking.

(a) Except as otherwise provided by the Pricing Certificate, the District shall provide annually to the MSRB, (1) within six (6) months after the end of each fiscal year, financial information and operating data with respect to the District of the general type included in the final Official Statement authorized by Section 33, being the quantitative financial information and operating data with respect to the District, as determined by the Pricing Officer and identified in the Pricing Certificate described in Section 5 of this Order, and (2) if not provided as part of such financial information and operating data, audited financial statements of the District, if and when available. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles prescribed by the Texas State Board of Education or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within twelve (12) months after any such fiscal year end, then the District shall provide unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year to the MSRB, when and if audited financial statements become available.

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

The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document that is available to the public on the MSRB's internet website or filed with the SEC.

(b) The District shall notify the MSRB, in a timely manner not in excess of ten (10) business days after the occurrence of the event, of any of the following events with respect to the Bonds:

- (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 Bondholders, 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;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into 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) The appointment of a successor or additional trustee or the change of name of a trustee, 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.

As used in clause (12), above, the phrase “bankruptcy, insolvency, receivership or similar event” means 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 of governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if jurisdiction has been assumed by leaving the District 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.

The District intends the words used in the preceding paragraphs (15) and (16) above and the definition of Financial Obligation in this Order to 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 also notify the MSRB, in an electronic format as prescribed by 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.

(c) All documents provided to the MSRB pursuant to this Section shall be provided in an electronic format, as prescribed by the MSRB and shall be accompanied by identifying information as prescribed by the MSRB.

(d) 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 made in accordance with Texas law that causes Bonds no longer to be outstanding.

The provisions of this Section are for the sole benefit of the holders and the 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 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 the 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 (i) the Registered Owners 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 (ii) 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 Registered Owners and beneficial owners of the Bonds. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with 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. The District may also amend or repeal the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or a 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 any 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 (x) such provisions as so amended and (y) any amendments or interpretations of the Rule.

Section 31. Related Matters. To satisfy in a timely manner all of the District's obligations under this Order, the Purchase Contract and the Escrow Agreement, the President, any Vice President and the Secretary of the Board, the Pricing Officer and all other appropriate officers, agents and representatives of the District are hereby authorized and directed to take all other actions that are reasonably necessary to provide for the issuance of the Bonds and refunding of the Refunded Bonds, including, without limitation, executing and delivering on behalf of the District all certificates, consents, receipts, requests and other documents as may be reasonably necessary to satisfy the District's obligations under the Escrow Agreement, the Purchase Contract and this Order and to direct the transfer and application of funds of the District consistent with the provisions of such Escrow Agreement and this Order.

Section 32. Order a Contract - Amendments. This Order, together with the Pricing Certificate, shall constitute a contract with the Owners from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any Bond remains Outstanding except as permitted in this Section. The District may, without the consent of or notice to any Owners, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Owners, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the consent of Owners who own in the aggregate a majority of the principal amount or, in the case of Capital Appreciation Bonds, Maturity Amount, of the Bonds of any series then Outstanding, amend, add to, or rescind any of the provisions of this Order as it relates to the Bonds of such series; provided that, without the consent of all Owners of Outstanding Bonds of any series affected thereby, no such amendment, addition, or rescission shall (i) extend the time or times of payment of the principal of, Maturity Amount of or interest on the Bonds of such series, reduce the principal amount or Maturity Amount thereof, the redemption price, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, Maturity Amount, premium, if any, or interest on the Bonds of such series, (ii) give any preference to any Bond of such series over any other Bond of such series, or (iii) reduce the aggregate principal amount or Maturity Amount of Bonds of such series required to be held by Owners of Bonds of such series for consent to any such amendment, addition, or rescission.

Section 33. Offering Materials. The Pricing Officer is hereby authorized to approve, in the name and on behalf of the District, in connection with the sale of each series of Bonds, the preparation and distribution of (a) a Preliminary Official Statement and a final Official Statement relating to the Bonds of such series to be used by the Purchaser in connection with the marketing and public offering of the Bonds of such series or (b) such other informational materials as shall be determined by the Pricing Officer to be necessary and appropriate in connection with the private placement of the Bonds with one or more qualified institutional buyers, accredited investors or financial institutions. In addition, the Pricing Officer is authorized to deem the Preliminary Official Statement "final" for purposes of the Rule. In the event the Bonds are sold pursuant to a public sale, the Pricing Officer is hereby authorized to approve, in the name and on behalf of the District, in connection with the sale of the Bonds, the preparation and distribution of a Notice of Sale. The Pricing Officer and other appropriate officials of the District are hereby authorized to sign such Official Statement and/or to deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds of such series.

Section 34. Power to Revise Form of Documents. Notwithstanding any other provision of this Order (and in addition to such revisions, additions, deletions, or variations as may be approved by the Pricing Officer), the President or the Vice President of the Board is hereby authorized to make or approve such revisions, additions, deletions, and variations to this Order and in the form of the documents attached hereto as exhibits as, in the judgment of the President or the Vice President, and in the opinion of Bond Counsel to the District, may be necessary or convenient to carry out or assist in carrying out the purposes of this Order, the Preliminary Official Statement, the final Official Statement, or as may be required for approval of the Bonds by the Attorney General of Texas.

Section 35. Permanent School Fund Guarantee Program. In the event that payment of the principal of and interest on the Bonds is guaranteed by the Permanent School Fund of the State of Texas, the District covenants to comply timely with all applicable requirements and procedures under Article VII, Section 5 of the Texas Constitution, Subchapter C of Chapter 45, Texas Education Code and the Rules of the State Board of Education relating to such guarantee. Upon defeasance of the Bonds, either at or prior to maturity in accordance with applicable law, the guarantee of the principal of and interest on the Bonds by the Permanent School Fund of the State of Texas shall be removed in its entirety. If the District is unable to pay the principal of or interest on a guaranteed Bond, the amount necessary to pay the principal or interest will be transferred to the Registrar for the Bonds from the Permanent School Fund of the State of Texas, and the amounts so transferred, plus interest, will be withheld by the Comptroller from the first State money payable to the District, first from the Foundation School Fund and, if necessary, from the Available School Fund.

Section 36. No Personal Liability. No recourse shall be had for payment of the principal of or interest on any Bonds or for any claim based thereon, or on this Order, against any official or employee of the District or any person executing any Bonds.

Section 37. Defeasance. Except as otherwise provided in the Pricing Certificate for the Bonds of each series, the District may defease the provisions of this Order and discharge its obligation to the Owners of any or all of the Bonds to pay the principal of and interest thereon in any manner now or hereafter permitted by law, including but not limited to, by depositing with the Registrar or a trust company, commercial bank or other eligible financial institution or with the Comptroller either:

(a) cash in an amount equal to (i) the principal amount of and interest on the Current Interest Bonds to the date of maturity or earlier redemption, if any, and/or (ii) the Maturity Amount of the Capital Appreciation Bonds, or

(b) pursuant to an escrow or trust agreement, cash and/or Defeasance Securities, the principal of and interest on which will, when due or redeemable at the option of the holder, without further investment or reinvestment of either the principal amount thereof or the interest earnings thereon, provide money in an amount which, together with other moneys, if any, held in such escrow at the same time and available for such purpose, shall be sufficient to provide for the timely payment of (A) the principal of and interest on the Current Interest Bonds to the date of maturity or earlier redemption, if any, and (B) the Maturity Amount of the Capital Appreciation Bonds;

provided, however, that if any of such Bonds are to be redeemed prior to their respective dates of maturity, provision shall have been made for giving notice of redemption as provided in this Order. Upon such deposit, such Bonds shall no longer be regarded to be outstanding or unpaid. Any surplus amount not required to accomplish such defeasance shall be returned to the District.

The District reserves the right, subject to satisfying the requirements of (a) and (b) above, to substitute other Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished; provided however, the District reserves the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their maturity date, if the District (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Section 38. Notice. Any notice, demand, direction, request or other instrument authorized or required by this Order to be given to or filed with the District or the Registrar shall be deemed to have been given only upon receipt. Any notice shall be sent by first class mail, postage prepaid, to the address specified below or, to such other address as may be designated in writing by the parties:

District:                   Smithville Independent School District  
                                  P.O. Box 479  
                                  Smithville, Texas 78957  
                                  Attention: Superintendent

Registrar:                 The address specified in the Paying Agent/Registrar Agreement.

Section 39. Legal Holidays. In any case where the date interest accrues and becomes payable on the Bonds or principal of the Bonds matures or the date fixed for redemption of any Bonds or a Record Date shall fall on a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close, then payment of interest or principal need not be made on such date, or the Record Date shall not occur on such date, but payment may be made or the Record Date shall occur on the next succeeding day which is not in the District a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized by law to close with the same force and effect as if (i) made on the date of maturity or the date fixed for redemption and no interest shall accrue for the period from the date of maturity or redemption to the date of actual payment or (ii) the Record Date had occurred on the last business day of that calendar month.

Section 40. Open Meeting. It is hereby officially found and determined that the meeting at which this Order was adopted was open to the public, and public notice of the time, place and

purpose of said meeting was given, all as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended.

Section 41. Effective Date. This Order shall be in full force and effect from and upon its adoption.

Section 42. Severability. If any section, paragraph, clause or provision of this Order shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Order.

Section 43. Recitals. The recitals to this Order are hereby approved by the Board and incorporated into and made a part of this Order.

Section 44. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

*[Signature Page Follows.]*

PASSED AND APPROVED this June 8<sup>th</sup>, 2026.

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Grant Gutierrez  
President, Board of Trustees  
Smithville Independent School District

ATTEST:

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Chelsa Vinklarek  
Secretary, Board of Trustees  
Smithville Independent School District

(SEAL)

Exhibit A – Refunding Candidates  
Exhibit B – Form of Pricing Certificate (including Form of Bond)

## **EXHIBIT A**

### **REFUNDING CANDIDATES**

- Smithville Independent School District Unlimited Tax School Building Bonds, Series 2017, currently outstanding in the aggregate principal amount of \$7,800,000.

**EXHIBIT B**

**FORM OF PRICING CERTIFICATE**

SMITHVILLE INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BONDS, [TAXABLE] SERIES 2026

THIS PRICING CERTIFICATE is executed as of \_\_\_\_\_, 2026 by the \_\_\_\_\_ of the Smithville Independent School District (the "District") pursuant to the authorization contained in an order of the Board of Trustees, acting as the governing body of the District, adopted on June 8, 2026 (the "Order"), authorizing the issuance of the captioned series of bonds and delegating to the undersigned the authority to agree to and stipulate certain terms and provisions thereof, all of which are set forth herein.

Capitalized terms used in this Pricing Certificate shall have the meanings assigned to them in the Order.

1. Principal Amount, Maturity Amount, Numbers, Interest Rates, Interest Payment Dates and Maturities. The Bonds shall be designated as the "Smithville Independent School District Unlimited Tax Refunding Bonds, Series 2026," dated \_\_\_\_\_, 20\_\_ and issued in the total authorized principal amount of \$ \_\_\_\_\_ (the "Bonds"), consisting of \$ \_\_\_\_\_ Capital Appreciation Bonds and \$ \_\_\_\_\_ Current Interest Bonds. The Current Interest Bonds shall bear interest from their [dated date/date of their initial delivery] and the Capital Appreciation Bonds shall accrete interest from the date of their initial delivery. The Interest Payment Dates for the Current Interest Bonds shall be each \_\_\_\_\_ and \_\_\_\_\_, commencing \_\_\_\_\_, 20\_\_ until maturity or prior redemption; and, the Record Date shall be the [last][fifteenth] [calendar][business] day of the month next preceding each Interest Payment Date. The Bonds are issued as [Taxable][Tax-Exempt] Bonds.

The Current Interest Bonds shall mature on the dates and in the amounts set out in the following schedule:

<u>Bond Number</u>	<u>Maturity (_____)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R-1			
R-2			
R-3			

The Capital Appreciation Bonds shall mature on \_\_\_\_\_ in each of the years and in the amounts set out in the following schedule:

<u>Bond Number</u>	<u>Year of Maturity (_____)</u>	<u>Principal Amount</u>	<u>Yield</u>	<u>Maturity Amount</u>
CR-1				

2. Redemption.

- (a) Optional. The Current Interest Bonds maturing on and after \_\_\_\_\_, 20\_\_ are subject to optional redemption, in whole or, from time to time, in part on \_\_\_\_\_, 20\_\_, or any date on or after, at a redemption price of par plus accrued interest thereon. [The Capital Appreciation Bonds maturing on and after \_\_\_\_\_ are subject to optional redemption, in whole or, from time to time, in part on any date on or after \_\_\_\_\_ at a redemption price of \_\_% of the accreted value on the redemption date.] [The [Capital Appreciation] Bonds are not subject to redemption prior to maturity.]
- (b) Mandatory. The Current Interest Bonds maturing in the years \_\_\_\_\_ and \_\_\_\_\_ will be issued as term bonds and shall be subject to the following mandatory redemption requirements:

TERM BONDS MATURING \_\_\_\_\_, 20\_\_

Mandatory Redemption Date ( _____ )	Principal Amount	Redemption Price
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The particular Term Bonds to be redeemed shall be selected by the Registrar by lot or other customary random selection method, on or before \_\_\_\_\_ of each year in which Term Bonds are to be mandatorily redeemed. The principal amount of Term Bonds to be mandatorily redeemed in each year may be reduced by the principal amount of such Term Bonds that have been optionally redeemed on or before \_\_\_\_\_ of such year and which have not been made the basis for a previous reduction.

- (c) Selection of Bonds for Redemption. Bonds may be redeemed only in integral multiples of \$5,000 of principal amount or Maturity Amount, as appropriate. If a Bond subject to redemption is in a denomination larger than \$5,000, a portion of such Bond may be redeemed, but only in integral multiples of \$5,000. In selecting portions of Bonds for redemption, the Registrar shall treat each Bond as representing that number of Bonds of \$5,000 denomination which is obtained by dividing the principal amount or Maturity Amount, as appropriate, of such Bond by \$5,000. Upon surrender of any Bond for redemption in part, the Registrar, in accordance with Section 13 of the Order, shall authenticate and deliver in exchange therefor a Bond or Bonds of like type, maturity and interest rate in an aggregate principal amount or Maturity Amount, as appropriate, equal to the unredeemed portion of the Bond so surrendered.

3. Sale of Bonds; Purchase Price; Use of Proceeds. The sale of the Bonds to \_\_\_\_\_ (the “Purchaser”) by [private sale][private placement][public sale], at the purchase price of \$\_\_\_\_\_, is hereby approved. It is hereby found and declared that the sale of the Bonds pursuant to the [Purchase Contract][winning bid] at such price is on the best terms and at the best prices reasonably obtainable by the District.

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

- (i) An amount equal to accrued interest on the Current Interest Bonds, if any, shall be deposited into the Debt Service Fund;
  - (ii) The remaining proceeds from the sale of the Bonds shall be (A) [deposited directly with the Paying Agent/Registrar for the Refunded Bonds and used][applied to establish an escrow fund under the Escrow Agreement] to refund the Refunded Bonds and (B) to the extent not otherwise provided for, applied to pay all expenses arising in connection with the issuance of the Bonds and the refunding of the Refunded Bonds; and
  - (iii) Any proceeds of the Bonds remaining after making all such deposits and payments shall be deposited into the Debt Service Fund and used to pay debt service on the Bonds.
4. Arrangements for Defeasance of Refunded Bonds. The [Escrow Agreement] attached as Exhibit A hereto is hereby approved. Pursuant to Sections 26 and 28 of the Order, \$\_\_\_\_\_ from the proceeds of the Bonds and \$\_\_\_\_\_ from the interest and sinking fund for the Refunded Bonds shall be deposited [directly with the paying agent/registrar for the Refunded Bonds][into the Escrow Fund created pursuant to the Escrow Agreement] and applied to refund the Refunded Bonds.
5. Form of Bond. Pursuant to Section 5 of the Order, the Form of Bond as set forth in Exhibit B hereto is hereby approved and supersedes the Form of Bond set forth in the Order.
6. The Refunded Bonds shall be those bonds identified in Exhibit C hereto.
7. Pursuant to Section 5 of the Order, we hereby further find and determine that:
- a. the aggregate principal amount of the Bonds (together with the aggregate principal amount of other bonds issued pursuant to the Order) is \$\_\_\_\_\_, which does not exceed the principal amount of the Refunded Bonds;
  - b. the net effective interest rate on the Bonds is \_\_\_\_\_%, which does not exceed the maximum rate allowed by Chapter 1204, Texas Government Code, as amended;

- c. the price to be paid for the Bonds is not less than 90% of the aggregate original principal amount thereof plus accrued interest thereon from their date to the date of their delivery; and
  - d. the gross savings to the District, net of any District contribution to the refunding, is \$ \_\_\_\_\_ and the net present value debt service savings is \$ \_\_\_\_\_, which is \_\_\_% (and not less than \_\_\_%) of the principal amount of the Refunded Bonds, as shown on Exhibit D hereto.
8. Pursuant to Section 30 of the Order, the District shall provide updated financial information and operating data to the MSRB each year as provided in the Order and described in Exhibit E hereto.
9. Offering Materials. Pursuant to Section 33 of the Order, the [Official Notice of Sale and the] Preliminary Official Statement [is/are] hereby ratified and approved. The Preliminary Official Statement is hereby deemed final as of its date (subject to permissible omissions described in Rule 15c2-12) within the meaning of the provisions of 17 C.F.R. § 240.15c2-12(b)(1), and the preparation and distribution of the final Official Statement in the reoffering of the Bonds by the Purchaser is hereby approved.
10. \_\_\_\_\_ is selected to serve as Paying Agent/Registrar for the Bonds.
11. \_\_\_\_\_ is selected to serve as Escrow Agent for the Bonds.
12. The undersigned hereby finds, determines and declares, that in accordance with the requirements of the Order, this Pricing Certificate complies with and satisfies the terms and provisions of the Order in accordance with the delegation contained therein.

**<EXECUTION PAGE FOLLOWS>**

WITNESS MY HAND this \_\_\_\_\_, 20\_\_.

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Pricing Officer

EXHIBIT A TO PRICING CERTIFICATE  
[ESCROW AGREEMENT]

EXHIBIT B TO PRICING CERTIFICATE  
FORM OF CURRENT INTEREST BOND

United States of America  
State of Texas

NUMBER  
<sup>1</sup>R-  
REGISTERED

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

SMITHVILLE INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BOND  
[TAXABLE] SERIES 2026

<sup>2</sup>INTEREST RATE:  
%

<sup>2</sup>MATURITY DATE:  
\_\_\_\_\_, \_\_\_\_

DATED/ISSUANCE  
DATE:

<sup>2</sup>CUSIP:

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

<sup>3</sup>SMITHVILLE INDEPENDENT SCHOOL DISTRICT (the “District”), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the “Registrar”), the Principal Amount identified above, payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the [Dated/Issuance] Date specified above, or the most recent interest payment date to which interest

<sup>1</sup> Initial Current Interest Bond shall be numbered T-1.

<sup>2</sup> Omitted from the Initial Current Interest Bond.

<sup>3</sup> The first sentence of the Initial Current Interest Bond shall read as follows:

SMITHVILLE INDEPENDENT SCHOOL DISTRICT (the “District”), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the maturity dates specified below, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the “Registrar”), the principal amounts set forth in the following schedule: [Insert information regarding years of maturity, principal amounts and interest rates from Pricing Certificate], payable in any coin or currency of the United States of America which on the date of payment of such principal is legal tender for the payment of debts due the United States of America, and to pay interest thereon at the rate shown above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the [Dated/Issuance] Date specified above, or the most recent interest payment date to which interest has been paid or duly provided for.

has been paid or duly provided for. Interest on this bond is payable semiannually on \_\_\_\_\_ and \_\_\_\_\_ of each year until maturity, beginning \_\_\_\_\_, \_\_\_\_\_, by check mailed to the Registered Owner of record as of the last business day of the month next preceding each interest payment date, to the address of such owner as shown on the books of registration kept by the Registrar. Any accrued interest due at maturity shall be paid upon presentation and surrender of this Bond at the corporate trust office of the Registrar.

THIS BOND is one of a duly authorized issue of bonds, aggregating \$ \_\_\_\_\_ (the "Bonds") issued for the purposes of refunding certain outstanding bonds of the District as described in an order adopted by the Board of Trustees of the District on June 8, 2026 (the "Order"), including paying the costs of issuance of the Bonds and of refunding the bonds being refunded, all pursuant to the authority of Chapter 1207, Texas Government Code, as amended. [The Bonds are issued as Bonds in the aggregate principal amount of \$ \_\_\_\_\_ that pay interest semiannually until maturity (the "Current Interest Bonds") and Bonds in the aggregate principal amount of \$ \_\_\_\_\_ that pay interest only at maturity (the "Capital Appreciation Bonds"). This Bond is a Current Interest Bond.]

THE DISTRICT RESERVES THE RIGHT, at its option, to redeem prior to maturity the Current Interest Bonds maturing on or after \_\_\_\_\_, 20\_\_\_\_, in whole or in part, on \_\_\_\_\_, 20\_\_\_\_ or on any date thereafter, at a price equal to par plus accrued interest to the date of redemption.

THE BONDS MATURING IN THE YEARS 20\_\_\_\_ and 20\_\_\_\_ (the "Term Bonds") are subject to mandatory redemption prior to maturity in the following amounts (subject to reduction as hereinafter provided), on the following dates, in whole or in part, at a price equal to the principal amount thereof plus accrued interest thereon to the redemption date, without premium:

Term Bonds		Term Bonds	
Due _____, 20____	Year	Due _____, 20____	Year
Principal Amount		Principal Amount	
\$		\$	

(maturity)

(maturity)

TO THE EXTENT THAT SUCH TERM BONDS have been previously called for redemption or purchased and retired in part and otherwise than from scheduled mandatory redemption payments, future mandatory redemption payments may be reduced by the principal amount of such Term Bonds so redeemed or purchased.

IN LIEU OF MANDATORILY REDEEMING the Term Bonds, the District reserves the right to purchase for cancellation Term Bonds of the same maturity at a price no greater than the applicable redemption price of such Term Bonds.

THE PAYING AGENT/REGISTRAR will select by lot the specific Term Bonds (or with respect to Term Bonds having a denomination in excess of \$5,000, each \$5,000 portion thereof) to be redeemed by mandatory redemption. The principal amount of Term Bonds required to be redeemed on any redemption date pursuant to the foregoing mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Bonds having the same maturity which have been purchased or redeemed by the District as follows, at least 45 days prior to the mandatory redemption date:

(i) if the District directs the Paying Agent/Registrar to purchase Bonds with money in the debt service fund for the Bonds (at a price not greater than par plus accrued interest to the date of purchase), then a credit of 100% of the principal amount of such Bonds purchased will be made against the next mandatory redemption installment due, or

(ii) if the District purchases or redeems Bonds with other available moneys, then the principal amount of such Bonds will be credited against future mandatory redemption installments in any order, and in any annual amount, that the District may direct.

NOT LESS THAN THIRTY (30) DAYS prior to a redemption date, a notice of redemption will be sent by U.S. mail, first class postage prepaid, in the name of the District to each registered owner of a Bond to be redeemed in whole or in part at the address of the registered owner appearing on the registration books of the Registrar at the close of business on the business day next preceding the date of mailing. When Bonds or portions thereof have been called for redemption and due provision has been made to redeem the same, the amounts so redeemed shall be payable solely from the funds provided for redemption, and interest which would otherwise accrue on the Bonds or portions thereof called for redemption shall terminate on the date fixed for redemption.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the corporate trust office of the Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS BOND IS EXCHANGEABLE at the corporate trust office of the Registrar for bonds in the principal amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THE REGISTRAR IS NOT REQUIRED to accept for transfer or exchange any Bond called for redemption in whole or in part during the 45-day period immediately prior to the date fixed for redemption; provided, however, that such limitation shall not apply to the transfer or exchange by the Registered Owner of the unredeemed portion of any Bond called for redemption in part.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes, without legal limit as to rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this bond has been signed with the manual or facsimile signature of the President or Vice President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this bond.

(SEAL)

SMITHVILLE INDEPENDENT SCHOOL  
DISTRICT

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[Vice] President, Board of Trustees

---

[Assistant] Secretary, Board of Trustees

FORM OF CAPITAL APPRECIATION BOND

United States of America  
State of Texas

NUMBER  
<sup>4</sup>CR-  
REGISTERED

MATURITY AMOUNT  
\$ \_\_\_\_\_  
REGISTERED

SMITHVILLE INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX REFUNDING BOND  
SERIES 2026

<sup>5</sup>INTEREST RATE:  
%

ISSUANCE DATE:

<sup>5</sup>MATURITY DATE:  
\_\_\_\_\_, \_\_\_\_

<sup>6</sup>CUSIP:

REGISTERED OWNER:

MATURITY AMOUNT:

DOLLARS

<sup>6</sup>SMITHVILLE INDEPENDENT SCHOOL DISTRICT (the “District”), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the Maturity Date specified above, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the “Registrar”), the Maturity Amount identified above, representing the principal amount hereof and accrued and compounded interest hereon, payable in any coin or currency of the United States of America which on the date of payment of such Maturity Amount is legal tender for the payment of debts due the United States of America. The date of this Bond is \_\_\_\_\_, 2026, but compound interest shall accrue on the principal amount hereof from the Issuance Date at the per annum rate specified above. The accreted value (per \$5,000 of Maturity Amount) as of the date of issuance and as of the maturity date is set forth on the reverse hereof. Such value as of any other date shall be determined by straight-line interpolation between such values.

<sup>4</sup> Initial Capital Appreciation Bond shall be numbered CT-1.

<sup>5</sup> Omitted from the Initial Capital Appreciation Bond.

<sup>6</sup> The first sentence of the Initial Capital Appreciation Bond shall read as follows:

SMITHVILLE INDEPENDENT SCHOOL DISTRICT (the “District”), for value received, promises to pay to the Registered Owner identified above, or registered assigns, on the maturity dates specified below, upon presentation and surrender of this Bond at the corporate trust office of \_\_\_\_\_, or its successor (the “Registrar”), the Maturity Amounts set forth in the following schedule: [Insert information regarding years of maturity, Maturity Amounts and interest rates from Pricing Certificate], each representing the principal amount hereof and accrued and compounded interest hereon, payable in any coin or currency of the United States of America which on the date of payment of such Maturity Amount is legal tender for the payment of debts due the United States of America.

THIS BOND is one of a duly authorized issue of bonds, aggregating \$\_\_\_\_\_ (the “Bonds”) issued for the purposes of refunding certain outstanding bonds of the District as described in an order adopted by the Board of Trustees of the District on June 8, 2026 (the “Order”), including paying the costs of issuance of the Bonds and of refunding the bonds being refunded, all pursuant to the authority of Chapter 1207, Texas Government Code, as amended. The Bonds are issued as Bonds in the aggregate principal amount of \$\_\_\_\_\_ that pay interest semiannually until maturity (the “Current Interest Bonds”) and Bonds in the aggregate principal amount of \$\_\_\_\_\_ that pay interest only at maturity (the “Capital Appreciation Bonds”). This Bond is a Capital Appreciation Bond.

THIS BOND is not subject to redemption prior to maturity.

THIS BOND IS TRANSFERABLE only upon presentation and surrender at the corporate trust office of the Registrar duly endorsed for transfer or accompanied by an assignment duly executed by the registered owner or his authorized representative, subject to the terms and conditions of the Order.

THIS BOND IS EXCHANGEABLE at the corporate trust office of the Registrar for bonds in the maturity amount of \$5,000 or any integral multiple thereof, subject to the terms and conditions of the Order.

THIS BOND shall not be valid or obligatory for any purpose or be entitled to any benefit under the Order unless this Bond is either (i) registered by the Comptroller of Public Accounts of the State of Texas by registration certificate attached or affixed hereto or (ii) authenticated by the Paying Agent/Registrar by due execution of the authentication certificate endorsed hereon.

THE REGISTERED OWNER of this Bond, by acceptance hereof, acknowledges and agrees to be bound by all the terms and conditions of the Order.

THE DISTRICT has covenanted in the Order that it will at all times provide a legally qualified registrar for the Bonds and will cause notice of any change of registrar to be mailed to each registered owner.

IT IS HEREBY certified, recited and covenanted that this Bond has been duly and validly issued and delivered; that all acts, conditions and things required or proper to be performed, to exist and to be done precedent to or in the issuance and delivery of this Bond have been performed, exist and have been done in accordance with law; that the Bonds do not exceed any constitutional or statutory limitation; and that annual ad valorem taxes, without legal limit as to rate or amount, sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due and such principal matures, have been levied and ordered to be levied against all taxable property in the District and have been pledged irrevocably for such payment.

IN WITNESS WHEREOF, this bond has been signed with the manual or facsimile signature of the President or Vice President of the Board of Trustees of the District and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the District, and the official seal of the District has been duly impressed, or placed in facsimile, on this bond.

SMITHVILLE INDEPENDENT SCHOOL  
DISTRICT

(SEAL)

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[Vice] President, Board of Trustees

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[Assistant] Secretary, Board of Trustees

\* \* \* \* \*

TABLE OF ACCRETED VALUES

The Accreted Value, initial offering price (all per \$5,000 of Maturity Amount), together with the yield to maturity are as follows. Accreted Values are calculated based on the initial offering price and yield to maturity and, except at maturity, do not equal principal amount plus accrued interest.

[INSERT TABLE OF ACCRETED VALUES]

\* \* \* \* \*

Form of Registration Certificate  
OF COMPTROLLER OF PUBLIC ACCOUNTS

COMPTROLLER'S REGISTRATION CERTIFICATE: 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 that this bond has been registered by the Comptroller of Public Accounts of the State of Texas.

WITNESS MY SIGNATURE AND SEAL this \_\_\_\_\_.

\_\_\_\_\_  
Acting Comptroller of Public Accounts of the  
State of Texas

(SEAL)

\* \* \* \* \*

FORM OF REGISTRAR'S AUTHENTICATION CERTIFICATE

AUTHENTICATION CERTIFICATE

It is hereby certified that this bond has been delivered pursuant to the Order described in the text of this Bond, in exchange for or in replacement of a bond, bonds or a portion of a bond or bonds of an issue of bonds which was originally approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

[\_\_\_\_\_] ,  
as Paying Agent/Registrar

By: \_\_\_\_\_  
Authorized Signature \_\_\_\_\_  
Date of Authentication: \_\_\_\_\_

[FORM OF PERMANENT SCHOOL FUND CERTIFICATE]

In the event that payment of the principal of and interest on the Bonds is guaranteed by the Permanent School Fund of the State of Texas, a statement substantially to the following effect shall appear on or be attached to each Bond:

**PERMANENT SCHOOL FUND CERTIFICATE**

Under the authority granted by Article VII, Section 5 of the Texas Constitution and Subchapter C of Chapter 45 of the Texas Education Code, the payment, when due, of the principal of and interest on the issuance by the Smithville Independent School District of its Unlimited Tax Refunding Bonds, Series 2026, dated \_\_\_\_\_, 2026, in the principal amount of \$\_\_\_\_\_ is guaranteed by the corpus of the Permanent School Fund of the State pursuant to the bond guarantee program administered by the Texas Education Agency. This guarantee shall be removed in its entirety upon defeasance of such bonds.

Reference is hereby made to the continuing disclosure agreement of the Texas Education Agency, set forth in Section I of the Agency's Investment Procedure Manual and the Agency's commitment letter for the guarantee. Such disclosure agreement has been made with respect to the bond guarantee program, in accordance with Rule 15c2-12 of the United States Securities and Exchange Commission, for the benefit of the holders and beneficial owners of the bonds.

In witness thereof I have caused my signature to be placed in facsimile on this bond.

\_\_\_\_\_  
\_\_\_\_\_  
Commissioner of Education  
State of Texas

FORM OF ASSIGNMENT

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_

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(Please print or type name, address, and zip code of Transferee)

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(Please insert Social Security or Taxpayer Identification Number of Transferee)

the within bond and all rights thereunder, and hereby irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer such bond on the books kept for registration thereof, with full power of substitution in the premises.

DATED: \_\_\_\_\_  
Signature Guaranteed: \_\_\_\_\_ Registered Owner

NOTICE: Signature must be guaranteed by a member firm of the New York Stock Exchange or a commercial bank or trust company.

NOTICE: The signature above must correspond to the name of the registered owner as shown on the face of this bond in every particular, without any alteration, enlargement or change whatsoever.

\*\*\*\*\*

EXHIBIT C TO PRICING CERTIFICATE  
DESCRIPTION OF REFUNDED BONDS

<u>Maturity Date</u>	<u>Interest Rate</u>	<u>Par Amount</u>	<u>Call Date</u>	Price (% of Principal <u>Amount</u> )
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EXHIBIT D TO PRICING CERTIFICATE  
DEBT SERVICE SAVINGS CALCULATION

## EXHIBIT E TO PRICING CERTIFICATE

### DESCRIPTION OF ANNUAL FINANCIAL INFORMATION

The following information is referred to in Section 30 of the 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 financial statements of the District appended to the Official Statement as Appendix \_\_\_\_, but for the most recently concluded fiscal year.
2. The information of the general type in the Official Statement under Tables \_\_\_\_ through \_\_\_\_.

#### Accounting Principles

The accounting principles referred to in such Section are the accounting principles described in the notes to the financial statements referred to in paragraph 1 above.