



UNITED INDEPENDENT SCHOOL DISTRICT AGENDA ACTION ITEM

TOPIC: Approval of an Order Authorizing the Issuance of United Independent School District Public Property Finance Contractual Obligations, Series 2020; Entering into a Purchase and Investment Letter; and Other matters related thereto

SUBMITTED BY: Laida P. Benavides, CPA **OF:** Division of Finance

APPROVED FOR TRANSMITTAL TO SCHOOL BOARD: _____

DATE ASSIGNED FOR BOARD CONSIDERATION: July 21, 2020

RECOMMENDATION:

Consider an Order authorizing the Issuance of United Independent School District Public Property Finance Contractual Obligations, Series 2020; Entering a Bond Purchase Agreement and a Paying Agent/Registrar Agreement and Approving Other matters incident and related thereto.

RATIONALE:

United ISD, Financial Advisory firm, Tijerina Galvan Lawrence LLC, will coordinate with the financing working group to receive bids for the issuance of Public Property Finance Contractual Obligations (PPFCOs), Series 2020, in the aggregate principal amount of \$6,420,000. The bid that provides the best value to the District, terms of the most favorable effective interest rate, will be recommended by the District staff.

BUDGETARY INFORMATION:

The issuance of PPFCOs for the purpose of purchasing microcomputers, laptops, tablets, audio/visual equipment, software, cases and other electronic and technical devices, including support services and accessories.

BOARD POLICY REFERENCE AND COMPLIANCE:

ORDER AUTHORIZING THE ISSUANCE OF UNITED INDEPENDENT SCHOOL DISTRICT PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2020; ENTERING INTO A PURCHASE AND INVESTMENT LETTER; AND OTHER MATTERS RELATED THERETO

WHEREAS, the United Independent School District (the "District") has been organized, created, and established pursuant to the laws of the State of Texas as an independent school district and political subdivision of the State of Texas, and operates pursuant to the Texas Education Code, as amended;

WHEREAS, the District is authorized by the Public Property Finance Act, Section 271.001, *et seq.*, Texas Local Government Code (the "Act"), to execute, perform and make payments under contracts for the use, purchase, or other acquisition of any personal property, or the financing thereof, on terms considered appropriate by the Board of Trustees of the District (the "Board");

WHEREAS, the Board deems it appropriate to authorize the issuance of contractual obligations for the purpose of purchasing or acquiring the personal property described on Exhibit "A" hereto and the payment of materials and labor incident to the installation of said personal property;

WHEREAS, the Board hereby finds and declares a public purpose and deems that the issuance of the Contractual Obligations herein authorized is in the best interest of the citizens of the District;

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

Section 1. Authorization of the Contractual Obligations. There is hereby ordered to be issued, under and by virtue of the laws of the State of Texas, including particularly the Act, a series of contractual obligations of the District to be known as UNITED INDEPENDENT SCHOOL DISTRICT PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2020" (the "Contractual Obligations"), payable from ad valorem levied, pursuant to the District's maintenance taxing authority, on all taxable property location within the District as provided in this Order for the purpose of paying all or a portion of the District's Contractual Obligations to be incurred in connection with the purchase or other acquisition of personal property shown as Exhibit "A" and the payment of materials and labor incident to the installation of said personal property pursuant to the Act, and to pay issuance costs.

Section 2. Date, Denominations, Numbers, and Maturities of and Interest on the Contractual Obligations. The Contractual Obligations shall be dated as of August 1, 2020 (the "Dated Date"), shall be in denominations of \$5,000 or any integral multiple thereof, shall be numbered I-1 for the Initial Obligation (defined herein) and shall be issued as one term bond numbered R-1 for the definitive Obligation, and shall mature on February 15, 2025 with mandatory redemption payments payable on February 15 of each year as follows:

<u>Maturity Date</u> <u>(February 15)</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Interest</u> <u>Rate (%)</u>
2021		
2022		
2023		
2024		
2025		

The Contractual Obligations shall bear interest from the date of initial delivery of the Contractual Obligations at the interest rates provided above, calculated on the basis of a 360-day year of twelve 30-day months, and interest shall be payable on February 15, 2021, and on each August 15 and February 15

thereafter through the respective maturity date.

Section 3. General Characteristics and Form of the Contractual Obligations. The Contractual Obligations shall be issued, shall be payable, may be redeemable prior to their scheduled maturities, shall have the characteristics, and shall be signed and executed (and the Contractual Obligations shall be sealed) all as provided, and in the manner indicated in the form set forth below. The Form of the Contractual Obligations, the Form of the Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be printed and manually endorsed on the Initial Contractual Obligation (hereinafter defined), the Form of the Authentication Certificate, and the Form of Assignment, which shall be, respectively, substantially as follows, with necessary and appropriate variations, omissions, and insertions as permitted or required by this Order, and the definitions contained with each such form shall apply solely to such form:

(a) Form of Contractual Obligations

United States of America
State of Texas
UNITED INDEPENDENT SCHOOL DISTRICT
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS, SERIES 2020

FORM OF DEFINITIVE CONTRACTUAL OBLIGATIONS

NUMBER	DENOMINATION
R-_____	\$ _____
REGISTERED	REGISTERED

<u>INTEREST</u> <u>RATE</u> %	<u>DATED</u> <u>DATE</u> August 1, 2020	<u>DELIVERY</u> <u>DATE</u> August 19, 2020	<u>MATURITY</u> <u>DATE</u> February 15, 2025
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REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS (\$ _____)

UNITED INDEPENDENT SCHOOL DISTRICT (the "District"), a political subdivision of the State of Texas, promises to pay to the Registered Owner, specified above, or registered assignees (the "Owner") on the Maturity Date, specified above, upon presentation and surrender of this Contractual Obligation at the designated payment office of _____, or its successor (the "Paying Agent/Registrar"), the Principal Amount, specified above, in lawful money of the United States of America, and to pay interest thereon at the Interest Rate, specified above, calculated on the basis of a 360-day year of twelve 30-day months, from the later of the Delivery Date, specified above, or the most recent interest payment date to which interest has been paid or duly provided for. Interest on this Contractual Obligation is payable by check dated February 15, 2021 and each August 15 and February 15 thereafter, mailed to the Owner of record as shown on the books of registration kept by the Paying Agent/Registrar (the "Register"), as of the date which is the last day of the month next preceding the interest payment date or in such other manner as may be acceptable to the Owner and the Paying Agent/Registrar. Notwithstanding the above paying procedures, upon written request to the District and the Paying Agent/Registrar, the Owner of at least \$1,000,000 in principal amount may receive all payments of principal and interest hereon by wire transfer on each payment date. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment thereof have been received from the District. Notice of the Special Record Date and of

the scheduled payment date of the past due payment (the "Special Payment Date," which shall be 15 calendar days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of the Owner appearing on the Register at the close of business on the last business day next preceding the date of mailing of such notice. The District covenants with the Owner that no later than each principal installment payment date and interest payment date for this Contractual Obligation it will make available to the Paying Agent/Registrar the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Contractual Obligation, when due, in the manner set forth in the Order defined below.

THIS CONTRACTUAL OBLIGATION is one of a series of Contractual Obligations, dated as of August 1, 2020 (the "Contractual Obligations") of like designation and tenor, except as to number, interest rate, denomination, and maturity issued pursuant to the Order adopted by the Board of Trustees of the District on July 21, 2020 (the "Order"), in the original aggregate principal amount of \$6,420,000 for the purpose of paying all or a portion of the District's Contractual Obligations to be incurred in connection with the purchase or other acquisition of personal property and to pay costs of issuing the Contractual Obligations, under and in strict conformity with the Constitution and the laws of the State of Texas, particularly Section 271.001, *et seq.*, of the Texas Local Government Code.

THE CONTRACTUAL OBLIGATIONS are issued pursuant to the Order whereunder the District covenants to levy a continuing, direct, annual ad valorem tax on taxable property within the District pursuant to its maintenance taxing authority, within the legal limits as to rate or amount as prescribed by law, for each year while any part of the Contractual Obligations are considered outstanding under the provisions of the Order, in a sufficient amount to pay interest on each Contractual Obligation as it becomes due, to provide for the payment of the principal or maturing amounts, as appropriate, of the Contractual Obligations when due, and to pay the expenses of assessing and collecting such tax. Reference is hereby made to the Order for provisions with respect to the custody and application of the District's funds, remedies in the event of a default hereunder or thereunder, and the other rights of the Owner.

THE DISTRICT RESERVES THE RIGHT, at its option, to redeem the Contractual Obligations maturing on or after [] prior to their scheduled maturities, in whole or in part, in integral multiples of \$5,000 on any date at a price of par value plus accrued interest on the principal amounts called for redemption from the most recent interest payment to the date fixed for redemption. If less than all the Contractual Obligations are redeemed at any time, the particular maturities of Contractual Obligations to be redeemed shall be selected by the District. If less than all of the Contractual Obligations of a certain maturity are to be redeemed, the particular Contractual Obligation or portions thereof to be redeemed will be selected by the Paying Agent/Registrar by such random method as the Paying Agent/Registrar shall deem fair and appropriate.

THE CONTRACTUAL OBLIGATIONS shall be subject to mandatory sinking fund redemption, at the redemption price equal to the principal amount thereof and any accrued interest thereon to the date set for redemption, on February 15, in each of the years and in the amounts set forth below:

Maturity Date

Principal Amount (\$)

Interest Rate (%)

(Information from Section 2 to be inserted)

THE PRINCIPAL AMOUNT OF A TERM BOND for a stated maturity required to be redeemed pursuant to the operation of such mandatory redemption provisions may be reduced, at the option of the District, by the principal amount of the Term Bond of like stated maturity which, at least 50 days prior to

the mandatory redemption date, (i) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar at the request of the District, or (ii) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

Upon surrender of any Contractual Obligation for redemption, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor a Contractual Obligation of like maturity and interest rate in an aggregate principal amount equal to the unredeemed portion of the Contractual Obligation so surrendered.

With respect to any optional redemption of the Contractual Obligations, unless the Paying Agent/Registrar has received funds sufficient to pay the principal and premium, if any, and interest on the Contractual Obligations to be redeemed before giving of a notice of redemption, the notice of redemption may state that the District may condition redemption on the receipt by the Paying Agent/Registrar of such funds on or before the date fixed for the redemption, or on the satisfaction of any other prerequisites set forth in the notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient funds are not received, the notice shall be of no force and effect, the District shall not redeem the Contractual Obligations and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, that the Contractual Obligations have not been redeemed.

IF THE DATE for the payment of the principal of or interest on the Contractual Obligations shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding business day; and payment on such date shall have the same force and effect as if made on the original date payment was due.

AT LEAST 30 DAYS PRIOR to the date fixed for any redemption of the Contractual Obligations, prior to stated maturity, the District shall cause notice of such redemption to be sent by United States mail, first-class postage prepaid, to the Owner of each Contractual Obligation, to be redeemed at its address as it appeared on Register at the close of business on the business day next preceding the date of mailing of such notice of redemption; provided, however, that the failure to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Contractual Obligation. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Contractual Obligations, which are to be so redeemed. If such notice of redemption is given and if due provision for such payment is made, all as provided above, the Contractual Obligations, which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall be regarded as being outstanding except for the right of the Owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment.

THIS CONTRACTUAL OBLIGATION IS TRANSFERABLE OR EXCHANGEABLE only upon presentation and surrender at the designated payment office of the Paying Agent/Registrar. If a Contractual Obligation is being transferred, it shall be duly endorsed for transfer or accompanied by an assignment duly executed by the Owner, or his authorized representative, subject to the terms and conditions of the Order. If a Contractual Obligation is being exchanged, it shall be in the principal amount of \$5,000 or any integral multiple thereof, all subject to the terms and conditions of the Order. The Owner of this Contractual Obligation shall be deemed and treated by the District and the Paying Agent/Registrar as the absolute owner hereof for all purposes, including payment and discharge of liability upon this Contractual Obligation to the extent of such payment, and the District and the Paying Agent/Registrar shall not be affected by any notice to the contrary.

IN THE EVENT any Paying Agent/Registrar for the Contractual Obligations is changed by the District, resigns, or otherwise ceases to act as such, the District has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Owner.

IT IS HEREBY CERTIFIED, COVENANTED, AND REPRESENTED that all acts, conditions, and things necessary to be done precedent to the issuance of the Contractual Obligations in order to render the same legal, valid, and binding obligations of the District have happened and have been accomplished and performed in regular and due time, form, and manner, as required by law; that provision has been made for the payment of the principal of and interest on, or maturing amounts of (as appropriate) the Contractual Obligations by the levy of a continuing, direct, annual ad valorem tax pursuant to the District's maintenance tax authority, upon taxable property within the District; and that issuance of the Contractual Obligations does not exceed any constitutional or statutory limitation.

BY BECOMING the Owner of this Contractual Obligation, the Owner thereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, and agrees that the terms and provisions of this Contractual Obligation and the Order constitute a contract between each Owner and the District.

IN WITNESS WHEREOF this Contractual Obligation has been signed with the manual or facsimile signature of the 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, and the official seal of the District has been duly impressed, or placed in facsimile, on this Contractual Obligation.

UNITED INDEPENDENT SCHOOL DISTRICT

/s/ Ricardo Rodriguez
Secretary, Board of Trustees

/s/ Ramiro Veliz, III
President, Board of Trustees

(DISTRICT SEAL)

FORM OF INITIAL CONTRACTUAL OBLIGATION

The Initial Contractual Obligation shall be in the form set forth above for the Definitive Contractual Obligation, except the following shall replace the heading:

NO. I-I

\$6,420,000

United States of America
State of Texas
UNITED INDEPENDENT SCHOOL DISTRICT
PUBLIC PROPERTY FINANCE CONTRACTUAL OBLIGATIONS,
SERIES 2020

Dated Date: August 1, 2020

Delivery Date: August 19, 2020

Registered Owner: _____

Principal Amount: SIX MILLION FOUR HUNDRED TWENTY THOUSAND AND 00/100
(\$6,420,000)

* * *

(b) Form of Registration Certificate of the Comptroller of Public Accounts (to be printed on or attached to only the Initial Contractual Obligation)

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

I hereby certify that this Contractual Obligation has been examined, certified as to validity, and approved by the Attorney General of the State of Texas, and that this Contractual Obligation has been registered by the Comptroller of Public Accounts of the State of Texas.

Witness my signature and seal this _____.

(COMPTROLLER'S SEAL)

Comptroller of Public Accounts
of the State of Texas

(c) Form of Authentication Certificate (to be printed on the Definitive Contractual Obligations only)

AUTHENTICATION CERTIFICATE

It is hereby certified that this Contractual Obligation has been issued under the provisions of the Order described on the face of this Contractual Obligation; and that this Contractual Obligation has been issued in conversion of and exchange for or replacement of a contractual obligation, contractual obligations, or a portion of a contractual obligation or contractual obligations of an issue which originally was 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

Dated _____

By _____
Authorized Representative

(d) Form of Assignment

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned hereby sells, assigns, and transfers unto

(Please insert Social Security or (Please print name and address, including zip code, of Taxpayer
Identification of Transferee) Transferee)

the within Contractual Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints _____ attorney to register the transfer of the within Contractual Obligation on the books kept for registration thereof, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

NOTICE: Signature(s) 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 with the name of the Owner as it appears upon the front of this Contractual Obligation in every particular, without alteration or enlargement or any change whatsoever.

The following abbreviations, when used in the Assignment above or on the face of the within Contractual Obligation, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM - as tenants in common

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF GIFT MIN ACT - _____ Custodian _____
(Cust) (Minor)

under Uniform Gifts to Minors Act _____
(State)

Additional abbreviations may also be used though not in the list above.

In case any officer of the District whose manual or facsimile signature shall appear on any Contractual Obligation shall cease to be such officer before the delivery of any such Contractual Obligations, such manual or facsimile signature shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until such delivery. Any Contractual Obligation which bears the facsimile signature of such person who at the actual time of the delivery of such Contractual Obligation shall be an officer authorized to sign such Contractual Obligation, but who at the date of such Contractual Obligations was not such an officer, shall be validly and sufficiently signed for such purpose as if such person had been such officer as the date of such Contractual Obligation. The District authorizes the printing of a true and correct copy of an opinion of Co-Bond Counsel, relating to the validity and enforceability of the Contractual Obligations under Texas law and the status of interest on the Contractual Obligations under federal income tax laws on the reverse side of each of the Contractual Obligations over a certificate of identification executed by the facsimile signature of the Secretary, Board of Trustees, and also authorizes the imprinting of CUSIP (the American Bankers Association's Committee on Uniform

Securities Identification Procedures) numbers on the Contractual Obligations; provided, however, that the failure of such opinion, certificate, or CUSIP numbers to appear on any Contractual Obligation, or any errors therein or in any part of the Contractual Obligation the form of which is not included in this Order, shall in no way affect the validity or enforceability of the Contractual Obligations or relieve the Initial Purchaser of its obligation to accept delivery of and pay for the Contractual Obligations.

Section 4. Definitions. In addition to other words and terms defined in this Order (except those defined and used in Section 3), and unless a different meaning or intent clearly appears in the context, the following words and terms shall have the following meanings, respectively:

“Co-Bond Counsel” means Winstead PC and J. Cruz & Associates, LLC.

“Code” means the Internal Revenue Code of 1986, as amended.

“Contractual Obligations” means any contractual obligation or contractual obligations or all of the contractual obligations, as the case may be, of that series styled “United Independent School District Public Property Finance Contractual Obligations, Series 2020”, in the original amount aggregate principal amount of \$6,420,000, authorized this Order.

“Government Obligations” means (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent; or (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than “AAA” or its equivalent.

“Interest Payment Date” means, when used in connection with any Contractual Obligation, February 15, 2021 and each August 15 and February 15 thereafter until maturity of such Contractual Obligation.

“Initial Purchaser” means _____.

“Order” means this “Order Authorizing the Issuance of United Independent School District Public Property Finance Contractual Obligations, Series 2020”; Entering into a Purchase and Investment Letter; and Other Matters Related Thereto adopted by the Board on July 21, 2020.

“Owners” means any person who shall be the registered owner of any outstanding Contractual Obligations on the Register.

“Paying Agent/Registrar” means _____, and such other bank or trust company as may hereafter be appointed in substitution therefor or in addition thereto to perform the duties of the Paying Agent/Registrar in accordance with this Order.

“Paying Agent/Registrar Agreement” means the agreement, dated August 1, 2020, between the Paying Agent/Registrar and the District relating to the registration, authentication, and transfer of the Contractual Obligations, attached hereto as Exhibit “C.”

“Purchase and Investment Letter” means the Purchase and Investment Letter between the District and the Initial Purchaser.

“Record Date” means the date upon which the person to whom payment due on any Contractual Obligation is determined, being the last day of the calendar month next preceding the applicable Interest Payment Date.

“Register” means the books of registration kept by the Paying Agent/Registrar in which are maintained the names and addresses of and the principal amounts registered to each Owner.

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

“SEC” means the United States Securities and Exchange Commission.

Section 5. District Funds. Interest and Sinking Fund and Tax Levy. A special “Interest and Sinking Fund” is hereby confirmed and shall be maintained by the District at an official depository bank of the District. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the District and shall be used only for paying the interest on and principal of the Contractual Obligations. The net proceeds of all ad valorem taxes levied and collected for and on account of the Contractual Obligations pursuant to the District’s maintenance tax authority, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the principal of or interest on or maturing amounts of (as appropriate) the Contractual Obligations are outstanding and unpaid, the Board shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Contractual Obligations and the principal on the Contractual Obligations as such principal matures; the tax shall be based on the latest approved tax rolls of the District, with full allowances being made for tax delinquencies and the cost of tax collection. The rate and amount of ad valorem tax within the legal limits as to rate or amount as prescribed by law, and is hereby ordered to be levied, against all taxable property in the District, for each year while any of the Contractual Obligations are outstanding and unpaid, and the tax shall be assessed and collected each year and deposited to the credit of the Interest and Sinking Fund. The ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Contractual Obligations, as such interest comes due and such principal matures, are hereby pledged irrevocably for such payment.

Section 6. Investments and Security. (a) Investment of Funds. The Board may place money in the Interest and Sinking Fund in time or demand deposits or invest such money as authorized by law at the time of such deposit. Obligations purchased as an investment of money in a fund shall be deemed to be part of such fund.

(b) Amounts Received from Investments. Except as otherwise provided by law, amounts received from the investment of any money in the Interest and Sinking Fund shall be retained therein. It is provided, however, that any interest earnings on proceeds of the Contractual Obligations which are required to be rebated to the United States of America in order to prevent the Contractual Obligations from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(c) Security for Funds. All funds created by this Order shall be secured in the manner and to the fullest extent required by law for the security of funds of the District.

Section 7. Covenants of the District. (a) General Covenants. The District covenants and represents that:

(i) The District is a duly created and existing independent school district and political subdivision of the State of Texas, and is duly authorized under the laws of the State of Texas to create and issue Contractual Obligations; all action on its part for the creation and issuance of the Contractual Obligations has been duly and effectively taken; and the Contractual Obligations are and will be valid and enforceable obligations of the District in accordance with their terms; and

(ii) The Contractual Obligations shall be ratably secured in such manner that no one Contractual Obligation shall have preference over other Contractual Obligations.

(b) Specific Covenants. The District covenants and represents that, while the Contractual Obligations are outstanding and unpaid, it will:

(i) Levy an ad valorem maintenance tax that will be sufficient to provide funds to pay the current interest on the Contractual Obligations and to provide the necessary sinking fund, all as described in this Order; and

(ii) Keep proper books of record and accounts in which full, true, and correct entries will be made of all dealings, activities, and transactions relating to the funds created pursuant to this Order, and all books, documents, and vouchers relating thereto shall at all reasonable times be made available for inspection upon request from any Owner.

(c) Covenants Regarding Tax Matters. The District covenants to take any action to maintain, or refrain from any action which would adversely affect, the treatment of the Contractual Obligations as obligations described in section 103 of the Code, the interest on which is not includable in "gross income" for federal income tax purposes. In furtherance thereof, the District specifically covenants as follows:

(i) To refrain from taking any action which would result in the Contractual Obligations being treated as "private activity bonds" within the meaning of section 141(b) of the Code;

(ii) To take any action to assure that no more than 10% of the proceeds of the Contractual Obligations or the projects financed therewith are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10% of the proceeds or the projects financed therewith are so used, that amounts, whether or not received by the District with respect to such private business use, do not under the terms of this Order or any underlying arrangement, directly or indirectly, secure or provide for the payment of more than 10% of the debt service on the Contractual Obligations, in contravention of section 141(b)(2) of the Code;

(iii) To take any action to assure that in the event that the "private business use" described in paragraph (ii) hereof exceeds 5% of the proceeds of the Contractual Obligations or the projects financed therewith, then the amount in excess of 5% is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

(iv) To take any action to assure that no amount which is greater than the lesser of \$5,000,000 or 5% of the proceeds of the Contractual Obligations is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

(v) To refrain from taking any action which would result in the Contractual Obligations being "federally guaranteed" within the meaning of section 149(b) of the Code;

(vi) Except to the extent permitted by section 148 of the Code and the regulations and rulings thereunder, to refrain from using any portion of the proceeds of the Contractual Obligations, directly or indirectly, to acquire or to replace funds which were used, directly or indirectly, to acquire investment property (as defined in section 148(b)(2) of the Code) which produces a materially higher yield over the term of the Contractual Obligations.

(vii) To otherwise restrict the use of the proceeds of the Contractual Obligations or amounts treated as proceeds of the Contractual Obligations, as may be necessary, so that the Contractual Obligations do not otherwise contravene the requirements of section 148 of the Code (relating to arbitrage) and, to the extent applicable, section 149(d) of the Code (relating to advance refunding);

(viii) Except to the extent otherwise provided in section 148(f) of the Code and the regulations and rulings thereunder, to pay to the United States of America at least once during each five year period (beginning on the date of delivery of the Contractual Obligations) an amount that is at least equal to 90% of the "Excess Earnings," within the meaning of section 148(f) of the Code, and to pay to the United States of America, not later than 60 days after the Contractual Obligations have been paid in full, 100% of the amount then required to be paid as a result of Excess Earnings under section 148(f) of the Code; and

(ix) To maintain such records as will enable the District to fulfill its responsibilities under this subsection and section 148 of the Code and to retain such records for at least six years following the final payment of principal and interest on the Contractual Obligations.

For the purposes of the foregoing, in the case of a refunding bond, the term proceeds includes transferred proceeds and, for purposes of paragraphs (ii) and (iii), proceeds of the refunded bonds.

The covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Contractual Obligations, the District will not be required to comply with any covenant contained herein to the extent that such modification or expansion, in the opinion of nationally recognized bond counsel, will not adversely affect the exclusion from gross income of interest on the Contractual Obligations under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Contractual Obligations, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exclusion from gross income of interest on the Contractual Obligations under section 103 of the Code.

Proper officers of the District charged with the responsibility of issuing the Contractual Obligations are hereby authorized and directed to execute any documents, certificates, or reports required by the Code and to make such elections, on behalf of the District, which may be permitted by the Code as are consistent with the purpose for the issuance of the Contractual Obligations.

Notwithstanding any other provision in this Order, to the extent necessary to preserve the exclusion from gross income of interest on the Contractual Obligations under section 103 of the Code the covenants contained in this subsection shall survive the later of the defeasance or discharge of the Contractual Obligations.

(d) Covenants Regarding Sale, Lease, or Disposition of Financed Property. The District covenants that the District will regulate the use of the property financed, directly or indirectly, with the proceeds of the Contractual Obligations and will not sell, lease, or otherwise dispose of such property unless (i) the District takes the remedial measures as may be required by the Code and the regulations and

rulings thereunder in order to preserve the exclusion from gross income of interest on the Contractual Obligations under section 103 of the Code or (ii) the District seeks the advice of nationally recognized bond counsel with respect to such sale, lease, or other disposition.

Section 8. Paying Agent/Registrar. The Paying Agent/Registrar is hereby appointed as paying agent for the Contractual Obligations. The principal of and the accrued interest on the Contractual Obligations 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, as described in the Form of Contractual Obligations in Section 3 hereof.

The District, the Paying Agent/Registrar, and any other person may treat the Owner as the absolute owner of such Contractual Obligations for the purpose of making and receiving payment of the principal thereof and for the further purpose of receiving payment of the interest thereon and for all other purposes, whether or not such Contractual Obligation is overdue, and neither the District nor the Paying Agent/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 Contractual Obligation in accordance with this Order shall be valid and effectual and shall discharge the liability of the District and the Paying Agent/Registrar upon such Contractual Obligation to the extent of the sums paid.

So long as any Contractual Obligations remain outstanding, the Paying Agent/Registrar shall keep the Register at one of its corporate trust offices in Texas in which, subject to such reasonable regulations as it may prescribe, the Paying Agent/Registrar shall provide for the registration and transfer of Contractual Obligations in accordance with the terms of this Order.

The District may at any time and from time to time appoint another Paying Agent/Registrar in substitution for the previous Paying Agent/Registrar provided that any such Paying Agent/Registrar shall be a national or state banking institution, shall be an association or a corporation organized and doing business under the laws of the United States of America or any state, authorized under such laws to exercise trust powers, shall be subject to supervision or examination by federal or state authority, and shall be authorized by law to serve as a paying agent/registrar. In such event, the District shall give notice by United States mail, first-class, postage prepaid to each Owner. Any bank or trust company with or into which any Paying Agent/Registrar may be merged or consolidated, or to which the assets and business of Paying Agent/Registrar may be sold or otherwise transferred, shall be deemed the successor of such Paying Agent/Registrar for the purposes of this Order.

The President and the Secretary of the Board are hereby authorized to enter into, execute, and deliver the Paying Agent/Registrar Agreement with the initial Paying Agent/Registrar in substantially the form of Exhibit C.

Section 9. Initial Contractual Obligation; Exchange or Transfer of Contractual Obligations. Initially, (the "Initial Contractual Obligation") numbered I-1 and representing the entire principal amount of Contractual Obligations shall be registered in the name of the Initial Purchaser or the designee thereof and shall be executed and submitted to the Attorney General of Texas for approval, and thereupon certified by the Comptroller of Public Accounts of the State of Texas or her duly authorized agent, by manual signature. At any time thereafter, the Owner may deliver the Initial Contractual Obligation to the Paying Agent/Registrar for exchange, accompanied by instructions from the Owner or such designee designating the person, maturities, and principal amounts to and in which the Initial Contractual Obligation are to be transferred and the addresses of such persons, and the Paying Agent/Registrar shall thereupon, within not more than 72 hours, register and deliver such Contractual Obligations upon authorization of the District as provided in such instructions.

Each Contractual Obligation shall be transferable within 72 hours after request, but only upon the presentation and surrender thereof at the designated payment office of the Paying Agent/Registrar, duly endorsed for transfer, or accompanied by an assignment duly executed by the Owner or his authorized representative in the form satisfactory to the Paying Agent/Registrar. Upon due presentation of any Contractual Obligation for transfer, the Paying Agent/Registrar shall authenticate and deliver in exchange therefor, to the extent possible and under reasonable circumstances within three business day after such presentation, a new Contractual Obligation or Contractual Obligations, registered in the name of the transferee or transferees, in authorized denominations, of the same maturity, in the appropriate principal amount, and bearing interest at the same rate as the Contractual Obligation or Contractual Obligations so presented.

All Contractual Obligations shall be exchangeable upon presentation and surrender thereof at the appropriate corporate trust office of the Paying Agent/Registrar for a Contractual Obligation or Contractual Obligations of the same maturity and interest rate and in any authorized denomination, in an aggregate principal amount or maturing amounts, as appropriate, equal to the unpaid principal amount or maturing amount of the Contractual Obligation or Contractual Obligations presented for exchange. The Paying Agent/Registrar shall be and is hereby authorized to authenticate and deliver exchange Contractual Obligations in accordance with this Order and each Contractual Obligation so delivered shall be entitled to the benefits and security of this Order to the same extent as the Contractual Obligation or Contractual Obligations in lieu of which such Contractual Obligation is delivered.

The District or the Paying Agent/Registrar may require the Owner of any Contractual Obligation 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 Contractual Obligation. Any fee or charge of the Paying Agent/Registrar for such transfer or exchange shall be paid by the District.

Section 10. District Officers' Duties. (a) Issuance of Contractual Obligations. The President of the Board shall submit the Initial Contractual Obligation, the record of the proceedings authorizing the issuance of the Contractual Obligations, and any and all necessary orders, certificates, and records to the Attorney General of the State of Texas for his investigation. After obtaining the approval of the Attorney General, the President of the Board shall cause the Initial Contractual Obligation to be registered by the Comptroller of Public Accounts of the State of Texas. The officers or acting officers of the Board are authorized to execute and deliver on behalf of the Board such certificates and instruments as may be necessary or appropriate prior to the delivery of and payment for the Contractual Obligations to and by the Initial Purchaser.

(b) Execution of Order. The President and the Secretary of the Board are authorized to execute the certificate to which this Order is attached on behalf of the Board and to do any and all things proper and necessary to carry out the intent hereof.

Section 11. Remedies of Owners. In addition to all rights and remedies of any Owner of the Contractual Obligations provided by the laws of the State of Texas, the District and the Board covenant and agree that in the event the District defaults in the payment of the principal of or interest on any of the Contractual Obligations when due, fails to make the payments required by this Order to be made into the Interest and Sinking Fund, or defaults in the observance or performance of any of the covenants, conditions, or obligations set forth in this Order, the Owner of any of the Contractual Obligations shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board and other officers of the District to observe and perform any covenant, obligation, or condition prescribed in this Order. No delay or omission by any Owner to exercise any right or power accruing to such Owner upon default shall impair any such right or power, or shall be construed to be a waiver of any such default or acquiescence therein, and every such right or power may be exercised from time to time and as often as

may be deemed expedient. The specific remedies mentioned in this Order shall be available to any Owner of any of the Contractual Obligations and shall be cumulative of all other existing remedies.

Section 12. Lost, Stolen, Destroyed, Damaged, or Mutilated Contractual Obligations; Destruction of Paid Contractual Obligations. (a) Replacement Contractual Obligations. In the event any outstanding Contractual Obligation shall become lost, stolen, destroyed, damaged, or mutilated, at the request of the Owner thereof, the District shall cause to be executed, registered by the Paying Agent/Registrar, and delivered a substitute Contractual Obligation of like date and tenor, in exchange and substitution for and upon cancellation of such mutilated or damaged Contractual Obligation, or in lieu of and substitution for such Contractual Obligation, lost, stolen, or destroyed, subject to the provisions of subsections (b), (c), (d), and (e) of this Section.

(b) Application and Indemnity. Application for exchange and substitution of lost, stolen, destroyed, damaged, or mutilated Contractual Obligations shall be made to the District. In every case the applicant for a substitute Contractual Obligation shall furnish to the District such deposit for fees and costs as may be required by the District to save it and the Paying Agent/Registrar harmless from liability. In every case of loss, theft, or destruction of a Contractual Obligation, the applicant shall also furnish to the District indemnity to the District's satisfaction and shall file with the District evidence to the District's satisfaction of the loss, theft, or destruction and of the ownership of such Contractual Obligation. In every case of damage or mutilation of a Contractual Obligation, the applicant shall surrender the Contractual Obligation so damaged or mutilated to the Paying Agent/Registrar.

(c) Matured Contractual Obligations. Notwithstanding the foregoing provisions of this Section, in the event any such Contractual Obligation shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Contractual Obligations, the District may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Contractual Obligation) instead of issuing a substitute Contractual Obligation, if any, provided security or indemnity is furnished as above provided in this Section.

(d) Expense of Issuance. Upon the issuance of any substitute Contractual Obligations, the District may charge the Owner of such Contractual Obligation with all fees and costs incurred in connection therewith. Every substitute Contractual Obligation issued pursuant to the provisions of this Section by virtue of the fact that any Contractual Obligation is lost, stolen, destroyed, damaged, or mutilated shall constitute a contractual obligation of the District, whether or not the lost, stolen, destroyed, damaged, or mutilated Contractual Obligations shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Contractual Obligations duly issued under this Order.

(e) Authority to Issue Substitute Contractual Obligations. This Order shall constitute sufficient authority for the issuance of any such substitute Contractual Obligations without necessity of further action by the Board or any other body or person, and the issuance of such substitute Contractual Obligations is hereby authorized, notwithstanding any other provisions of this Order.

(f) Destruction of Paid Contractual Obligations. At any time subsequent to six months after the payment thereof, the Paying Agent/Registrar is authorized to cancel and destroy any Contractual Obligations duly paid and shall furnish to the District a certificate evidencing such destruction.

Section 13. [Redemption. The Contractual Obligations are subject to optional redemption as described in the "Form of Contractual Obligations" in Section 3 hereof.]

Section 14. Defeasance. (a) Except to the extent provided in subsection (c) of this Section, any Contractual Obligation, and the interest thereon, shall be deemed to be paid, retired, and no longer

outstanding within the meaning of this Order (a "Defeased Contractual Obligation") when payment of the principal of such Contractual Obligation, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to a person described by Section 1207.061(a), Texas Government Code, as amended (a "Depository"), with respect to the safekeeping, investment, administration, and disposition of a deposit made under Section 1207.061, Texas Government Code, as amended, for such payment (the "Deposit") (A) lawful money of the United States of America sufficient to make such payment or (B) Government Obligations, which may be in book-entry form, that mature and bear interest payable at times and in amounts sufficient to provide for the scheduled payment of any Defeased Contractual Obligation. To cause a Contractual Obligation scheduled to be paid on a date later than the next scheduled interest payment date on such Contractual Obligation to become a Defeased Contractual Obligation, the District must, with respect to the Deposit, enter into an escrow or similar agreement with a Depository.

In connection with any defeasance of the Contractual Obligations, the District shall cause to be delivered either (i) a report of an independent firm of nationally recognized certified public accountants verifying the sufficiency of an escrow established to pay the Defeased Contractual Obligations in full on the maturity or redemption date thereof (the "Verification"), or (ii) a certificate from a qualified financial professional, certifying that the amount deposited with a Depository is sufficient to pay the Defeased Contractual Obligations in full on the maturity or redemption date thereof. In addition to the required Verification or certificate, the District shall also cause to be delivered an opinion of Bond Counsel to the effect that the Defeased Contractual Obligations are no longer outstanding pursuant to the terms hereof and a certificate of discharge of the Paying Agent/Registrar with respect to the Defeased Contractual Obligations. The Verification, if any and each certificate and opinion required hereunder shall be acceptable in form and substance, and addressed, if applicable, to the Paying Agent/Registrar and the District. The Contractual Obligations shall remain outstanding hereunder unless and until they are in fact paid and retired or the above criteria are met.

At such time as a Contractual Obligation shall be deemed to be a Defeased Contractual Obligation hereunder, and all herein required criteria have been met, such Contractual Obligation and the interest thereon shall no longer be outstanding or unpaid and shall no longer be entitled to the benefits of the pledge of the security interest granted under this Order, and such principal and interest shall be payable solely from the Deposit of money or Government Obligations; provided, however, the District has reserved the option to be exercised at the time of the defeasance of the Contractual Obligations, to call for redemption, at an earlier date, those Contractual Obligations 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 Contractual Obligations for redemption; (ii) gives notice of the reservation of that right to the Owners immediately following the making of the firm banking and financial arrangements; and (iii) directs that notice of reservation be included in any redemption notices that it authorizes

(b) Any money so deposited with a Depository may at the written direction of the District also be invested in Government Obligations, maturing in the amounts and times as hereinbefore set forth, and all income from such Government Obligations received by a Depository which is not required for the payment of the Defeased Contractual Obligations and interest thereon, with respect to which such money has been so deposited, shall be used as directed in writing by the District.

(c) Until all Defeased Contractual Obligations shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Contractual Obligations the same as if they had not been defeased, and the District shall make proper arrangements to provide and pay for such services as required by this Order.

Section 15. Order a Contract; Amendments. This Order shall constitute a contract with the Owners, from time to time, of the Contractual Obligations, binding on the District and its successors and assigns, and shall not be amended or repealed by the District as long as any Contractual Obligation remains outstanding except as permitted in this Section. The District may, without the consent of or notice to any Owners, amend, change, or modify this Order as may be required (a) by the provisions hereof; (b) for the purpose of curing any ambiguity, inconsistency, or formal defect or omission herein; or (c) in connection with any other change which is not to the prejudice of the Owners. The District may, with the written consent of the Owners of the majority in aggregate principal amount of Contractual Obligations then outstanding affected thereby, amend, change, modify, or rescind any provisions of this Order; provided that without the consent of all of the Owners affected, no such amendment, change, modification, or rescission shall (i) extend the time or times of payment of the principal of and interest on the Contractual Obligations or reduce the principal amount thereof or the rate of interest thereon; (ii) give any preference to any Contractual Obligation over any other Contractual Obligation; (iii) extend any waiver of default to subsequent defaults; or (iv) reduce the aggregate principal amount of Contractual Obligations required for consent to any such amendment, change, modification, or rescission. When the District desires to make any amendment or addition to or rescission of this Order requiring consent of the Owners, the District shall cause notice of the amendment, addition, or rescission described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such amendment, addition, or rescission in substantially such form, except as herein provided. No Owner may thereafter object to the adoption of such amendment, addition, or rescission, or to any of the provisions thereof, and such amendment, addition, or rescission shall be fully effective for all purposes.

Section 16. Sale and Delivery of Contractual Obligations. (a) Sale. The sale of the Contractual Obligations to the Initial Purchaser pursuant to the Purchase and Investment Letter attached hereto as Exhibit B is hereby confirmed and delivery of the Contractual Obligations to the Initial Purchaser shall be made as soon as practicable after the adoption of this Order, upon payment therefor, in accordance with the Purchase and Investment Letter. The Assistant Superintendent for Business & Finance is hereby authorized to sign and deliver the Purchase and Investment Letter.

(b) Legal Opinion. The Initial Purchaser's obligation to accept delivery of the Contractual Obligations is subject to their being furnished an opinion of Co-Bond Counsel, such opinion to be dated and delivered as of the date of delivery and payment for the Contractual Obligations.

(c) Registration and Delivery. Upon the registration of the Initial Contractual Obligation, the Comptroller of Public Accounts of the State of Texas is authorized and instructed to deliver the Initial Contractual Obligation pursuant to the instruction of the President of the Board for delivery to the Initial Purchaser.

Section 17. Use of Proceeds. The proceeds from the sale of the Contractual Obligations (net premium and underwriter's discount) shall be as follows: (i) \$ _____ shall be used to acquire the personal property described in Exhibit A attached hereto; and (ii) \$ _____ of the proceeds will be used to pay costs of issuance of the Contractual Obligations.

Section 18. Book-Entry-Only System. (a) The Initial Purchaser will take physical delivery of the Contractual Obligations initially. If it is decided to use a book-entry system, the definitive Contractual Obligations shall be registered in the name of Cede & Co. (DTC's partnership nominee), as Owner of the Contractual Obligations, and held in custody of DTC. A single certificate will be issued and delivered to DTC for each maturity of the Contractual Obligations. Beneficial owners of definitive Contractual Obligations will not receive physical delivery of Contractual Obligation certificates except as provided hereinafter. For so long as DTC shall continue to serve as securities depository for the Contractual Obligations as provided herein, all transfers of beneficial ownership interest will be made by

book-entry only, and no investor or other person purchasing, selling, or otherwise transferring beneficial ownership of Contractual Obligations is to receive, hold, or deliver any Contractual Obligation certificate. No person shall acquire or hold any beneficial interest in any Contractual Obligation representing a portion of the principal amount of such Contractual Obligation which is other than \$5,000 or an integral multiple thereof.

(b) Replacement definitive Contractual Obligations may be issued directly to beneficial owners of Contractual Obligations other than DTC, or its nominee, but only in the event that (i) DTC determines not to continue to act as securities depository for the Contractual Obligations (which determination shall become effective no less than 90 days after written notice to such effect to the Board and the Paying Agent/Registrar); or (ii) the Board has advised DTC of its determination (which determination is conclusive as to DTC and beneficial owners of the Contractual Obligations) that DTC is incapable of discharging its duties as securities depository for the Contractual Obligations; or (iii) the District has determined (which determination is conclusive as to DTC and the beneficial owners of the Contractual Obligations) that the interests of the beneficial owners of the Contractual Obligations might be adversely affected if such book-entry only system of transfer is continued. Upon occurrence of any event described in (i) or (ii) above, the District shall use its best efforts to attempt to locate another qualified securities depository. If the District fails to locate another qualified securities depository to replace DTC, the District shall cause to be executed, authenticated, and delivered replacement Contractual Obligations, in certificate form, to the DTC participants having an interest in the Contractual Obligations as shown on the records of DTC provided by DTC to the District. In the event that the District makes the determination described in (iii) above and has made provisions to notify the beneficial owners of Contractual Obligations of such determination by mailing an appropriate notice to DTC, it shall cause to be issued replacement Contractual Obligations in certificate form to the DTC participants having an interest in the Contractual Obligations as shown on the records of DTC provided by DTC to the District. The District undertakes no obligation to make any investigation to determine the occurrence of any events that would permit the District to make any determination described in (ii) or (iii) above.

(c) Whenever, during the term of the Contractual Obligations, the beneficial ownership thereof is determined by a book entry at DTC, the requirements in this Order of holding, delivering, or transferring Contractual Obligations shall be deemed modified to require the appropriate person or entity to meet the requirement of DTC as to registering or transferring the book entry to produce the same effect.

If at any time, DTC ceases to own the Contractual Obligations, all references herein to DTC shall be of no further force or effect.

Section 19. Perfection of Security. Chapter 1208, Texas Government Code, applies to the issuance of the Contractual Obligations and the pledge of the proceeds of ad valorem taxes thereto, and such pledge is, therefore, valid, effective, and perfected. Should Texas law be amended at any time while the Contractual Obligations are outstanding and unpaid, the result of such amendment being that the pledge of the ad valorem tax proceeds is to be subject to the filing requirements of Chapter 9, Texas Business & Commerce Code, in order to preserve to the Owners of the Contractual Obligations a security interest in such pledge, the District agrees to take such measures as it determines are reasonable and necessary to enable a filing of a security interest in said pledge to occur.

Section 20. Further Procedures. The President and the Secretary of the Board, the Superintendent of Schools, and the Assistant Superintendent for Business & Finance, and all other officers, employees, attorneys, and agents of the District, and each of them, shall be and they are hereby expressly authorized, empowered, and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge, and deliver in the name and under the seal and on behalf of the District, all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Contractual Obligations, and the

Purchase and Investment Letter. In case any officer whose signature shall appear on any Contractual Obligation shall cease to be such officer before the delivery of such Contractual Obligation, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery. Prior to the initial delivery of the Contractual Obligations, the President and the Secretary of the Board and Co-Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Contractual Obligations by the Texas Attorney General's office.

Section 21. Attorney General Examination Fee. The District recognizes that under Section 1202.004, Texas Government Code, the Attorney General of Texas requires a nonrefundable examination fee be paid at the time of submission of the transcript of the proceedings authorizing the Contractual Obligations and that such fee is to be calculated as provided in said Section 1202.004. Winstead PC is accommodating the District by paying such fee upon such submission of such transcript. Officials of the District are, however, hereby authorized to reimburse Winstead PC such amount as soon as possible and whether or not the Contractual Obligations are ever delivered and such amount is hereby appropriated from available funds for such purpose. The District is also authorized to reimburse the fund used for such repayment with proceeds of the Contractual Obligations.

Section 22. Miscellaneous Provisions. (a) Titles Not Restrictive. The titles assigned to the various sections of this Order are for convenience only and shall not be considered restrictive of the subject matter of any section or of any part of this Order.

(b) Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed and declared to be inapplicable, and the provisions of this Order shall be and remain controlling as to the matters prescribed herein.

(c) Severability. If any word, phrase, clause, paragraph, sentence, part, portion, or provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order shall nevertheless be valid and the Board hereby declares that this Order would have been enacted without such invalid word, phrase, clause, paragraph, sentence, part, portion, or provisions.

(d) Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas.

(e) Open Meeting. The Board officially finds and determines that the meeting at which this Order is adopted was open to the public; and that public notice of the time, place, and purpose of such meeting was given, all as required by Chapter 551, Texas Government Code, as amended.

PASSED AND APPROVED this 21st day of July, 2020.

UNITED INDEPENDENT SCHOOL DISTRICT

/s/ Ramiro Veliz, III
President, Board of Trustees

ATTEST:

/s/ Ricardo Rodriguez
Secretary, Board of Trustees

(DISTRICT SEAL)

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EXHIBIT A

PERSONAL PROPERTY LIST

PROJECT LIST

Microcomputers laptops, tablets, audio/visual equipment, software, cases, and other electronic and technical devices, including support services and accessories necessary therefor or incidental thereto.

EXHIBIT B
PURCHASE AND INVESTMENT LETTER

July 21, 2020

Re: United Independent School District Public Property Finance Contractual Obligations, Series 2020 (the "Contractual Obligations")

United Independent School District
201 Lindenwood Drive
Laredo, Texas 78045

Winstead PC
310 South St. Mary's Street, Suite 920
San Antonio, Texas 78205

Tijerina Galvan Lawrence LLC
8000 West Interstate 10, Suite 610
San Antonio, Texas 78230

J. Cruz & Associates, LLC
216 West Village Boulevard, Suite 202
Laredo, Texas 78041

Ladies and Gentlemen:

We have agreed to purchase and the Board of Trustees of the United Independent School District (the "District") has agreed to sell to us the captioned Contractual Obligations at the purchase price of \$_____ and no accrued interest. The Contractual Obligations are scheduled to finally mature on _____, shall bear the terms, shall be secured, and are subject to redemption as described in the District's order authorizing the Contractual Obligations adopted on July 21, 2020 (the "Order"), all subject to receipt by you and by us of such opinions, certificates, and other documents as you or we may reasonably require to establish the validity and legality of the Contractual Obligations.

_____, (the "Purchaser") hereby represents and warrants that:

(1) we are (a) an "accredited investor" within the meaning of Regulation D promulgated under the Securities Act of 1933 or (b) a state or national bank organized under the laws of the United States, and we have sufficient knowledge and experience in financial and business matters, including purchase and ownership of municipal obligations, to be able to evaluate the economic risks and merits of the purchase of the Contractual Obligations;

(2) we have made our own inquiry and analysis with respect to the Contractual Obligations and the security therefor, and other material factors affecting the security and payment of the Contractual Obligations, and we have not relied upon any statement by you; your officers, directors, or employees; or your financial consultants or legal advisors in connection with such inquiry or analysis or in connection with the purchase of the Contractual Obligations;

(3) we have either been furnished with or have had access to all necessary information that we desire in order to enable us to make an informed decision concerning the purchase of the Contractual Obligations, and we have had the opportunity to ask questions and receive answers from knowledgeable individuals concerning the purpose for which the proceeds of the Contractual Obligations will be utilized, and the security therefor, so that we have been able to make an informed decision to purchase the Contractual Obligations;

(4) we are purchasing the Contractual Obligations for our own account as evidence of a privately placed and negotiated bank loan and not with a view to, and with no present intention of, selling, pledging, transferring, conveying, hypothecating, mortgaging, disposing, reoffering, distributing, or reselling the Contractual Obligations, or any part or interest thereof, and will not sell or transfer the Contractual Obligations except to persons who are able to and do confirm in writing to us and to you the representations contained in paragraphs (1) through (3) and this paragraph to the same extent as if such paragraphs referred to such persons;

(5) we further acknowledge that we are responsible for consulting with our advisors concerning any obligations, including, but not limited to, any obligations pursuant to federal and state securities and income tax laws, we may have with respect to subsequent purchasers of the Contractual Obligations if and when any such future disposition of the Contractual Obligations may occur;

(6) we understand that the Contractual Obligations (a) are not being registered under the Securities Act of 1933 and are not being registered or otherwise qualified for sale under the "Blue Sky" laws and regulations of any state due to exemptions from registration provided for therein, (b) will not be listed on any stock or other securities exchange, (c) will carry no rating from any rating service, and (d) will not be readily marketable;

(7) we understand that the District is not required to make any continuing disclosure pursuant to Rule 15c2-12(b) (the "Rule") of the United States Securities and Exchange Commission under the Securities Exchange Act of 1934, because the Contractual Obligations are being sold pursuant to a private placement with the Purchaser (as defined in the Order); provided, however, the District will provide the Purchasers with their audited annual financial statements within 180 days after each fiscal year end and any other financial information (that is normally and regularly prepared in the ordinary course of business by the District in a written format) regarding the District that the Purchasers may reasonably request from time to time while the Contractual Obligations remain outstanding;

(8) we hereby verify our company and our parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to the extent this Purchase and Investment Letter is a contract for goods or services, will not boycott Israel during the term of this Purchase and Investment Letter. The foregoing verification is made solely to comply with Section 2270.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. We understand 'affiliate' to mean an entity that controls, is controlled by, or is under common control with our company and exists to make a profit;

(9) we represent that neither our company nor any parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf> or

<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law and excludes our company and each parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. We understand "affiliate" to mean any entity that controls, is controlled by, or is under common control with our company and exists to make a profit;

(10) we understand and agree that the foregoing representations and warranties will be relied upon by Winstead PC and J. Cruz & Associates, LLC, Co-Bond Counsel to the District, in rendering its opinion on the exemption of the Contractual Obligations from the registration requirements under existing federal and state securities laws; and

(11) as a condition to the purchase of the Contractual Obligations, the Purchaser shall receive at the Closing an opinion of Co-Bond Counsel stating that the Contractual Obligations constitutes a legal, valid, and binding obligation of the District, and that interest on the Contractual Obligations will be excludable from the gross income of the holders thereof pursuant to the provisions of the Code. In addition, the Purchaser shall receive, at the Closing, an opinion of the Attorney General of the State of Texas to the effect that the Contractual Obligations have been lawfully issued by the District and are valid and binding obligations of the District under applicable laws of the State of Texas.

[The remainder of this page intentionally left blank.]

This letter may be executed in multiple counterparts.

Very truly yours,

By: _____

Name: _____

Title: _____

AGREED TO AND ACCEPTED this 21st day of July, 2020.

UNITED INDEPENDENT SCHOOL DISTRICT

By: _____

Name: _____

Title: _____

EXHIBIT C

PAYING AGENT/REGISTRAR AGREEMENT

THIS PAYING AGENT/REGISTRAR AGREEMENT entered into as of August 1, 2020 (this "Agreement"), by and between the UNITED INDEPENDENT SCHOOL DISTRICT (the "District"), and _____, a banking association duly organized and existing under the laws of the United States of America (the "Bank").

RECITALS

WHEREAS, the District has duly authorized and provided for the issuance of its "United Independent School District Public Property Finance Contractual Obligations, Series 2020" (the "Securities"), such Securities to be issued in fully registered form only as to the payment of principal and interest thereon;

WHEREAS, the Securities are scheduled to be delivered to the initial purchaser thereof as provided in the Order (hereinafter defined);

WHEREAS, the District has selected the Bank to serve as Paying Agent/Registrar in connection with the payment of the principal of and interest on the Securities and with respect to the registration, transfer, and exchange thereof by the registered owners thereof;

WHEREAS, the Bank has agreed to serve in such capacities for and on behalf of the District and has full power and authority to perform and serve as Paying Agent/Registrar for the Securities;

NOW, THEREFORE, it is mutually agreed as follows:

ARTICLE I. APPOINTMENT OF BANK AS PAYING AGENT AND REGISTRAR

Section 1.01. Appointment. The District hereby appoints the Bank to serve as Paying Agent with respect to the Securities. As Paying Agent for the Securities, the Bank shall be responsible for paying on behalf of the District the principal of and interest on the Securities as the same become due and payable to the registered owners thereof, all in accordance with this Agreement and the Order.

The District hereby appoints the Bank as Registrar with respect to the Securities. As Registrar for the Securities, the Bank shall keep and maintain for and on behalf of the District books and records as to the ownership of said Securities and with respect to the transfer and exchange thereof as provided herein and in the Order.

The Bank hereby accepts its appointment, and agrees to serve as the Paying Agent and Registrar for the Securities.

Section 1.02. Compensation. As compensation for the Bank's services as Paying Agent/Registrar, the District hereby agrees to pay the Bank the fees and amounts set forth in Schedule A attached hereto for the first year of this Agreement and thereafter the fees and amounts set forth in the Bank's current fee schedule then in effect for services as Paying Agent/Registrar for municipalities, which shall be supplied to the District on or before 90 days prior to the close of the Fiscal Year of the District, and shall be effective upon the first day of the following Fiscal Year.

In addition, the District agrees to reimburse the Bank, upon its request, for all reasonable expenses, disbursements, and advances incurred or made by the Bank in accordance with any of the

provisions hereof (including the reasonable compensation and the expenses and disbursements of its agents and counsel).

ARTICLE II. DEFINITIONS

Section 2.01. Definitions. For all purposes of this Agreement, except as otherwise expressly provided or unless the context otherwise requires:

“Bank Office” means the designated principal corporate trust office of the Bank as indicated on the signature page hereof. The Bank will notify the District in writing of any change in location of the Bank Office.

“Bank Principal Payment Office” means _____.

“Board” means the Board of Trustees of the United Independent School District.

“Financial Advisor” means Tijerina Galvan Lawrence LLC, San Antonio, Texas.

“Fiscal Year” means the fiscal year of the District, ending August 31.

“Holder” and “Security Holder” each means the Person in whose name a Security is registered in the Security Register.

“District Request” means a written request or order signed in the name of the District by the Superintendent of Schools of the District, the Chief Financial Officer of the District, the President of the Board of the District, or the Secretary of the Board of the District, any one or more of said officials, delivered to the Bank.

“Order” means the order of the governing body of the District pursuant to which the Securities are issued, certified by the Secretary of the Board or any other officer of the District, and delivered to the Bank.

“Person” means any individual, corporation, partnership, joint venture, association, joint stock company, trust, unincorporated organization or government, or any agency or political subdivision of a government.

“Predecessor Securities” of any particular Security means every previous Security evidencing all or a portion of the same obligation as that evidenced by such particular Security (and, for the purposes of this definition, any mutilated, lost, destroyed, or stolen Security for which a replacement Security has been registered and delivered in lieu thereof pursuant to the Order).

“Redemption Date” when used with respect to any Security to be redeemed means the date fixed for such redemption pursuant to the terms of the Order.

“Responsible Officer” when used with respect to the Bank means the Chairman or Vice-Chairman of the Board of Directors, the Chairman or Vice-chairman of the Executive Committee of the Board of Directors, the President, any Vice President, the Secretary, any Assistant Secretary, the Treasurer, any Assistant Treasurer, the Cashier, any Assistant Cashier, any Trust Officer or Assistant Trust Officer, or any other officer of the Bank customarily performing functions similar to those performed by any of the above designated officers and also means, with respect to a particular corporate trust matter, any other officer to whom such matter is referred because of his knowledge of and familiarity with the particular subject.

“Security Register” means a register maintained by the Bank on behalf of the District providing for the registration and transfer of the Securities.

“Stated Maturity” means the date specified in the Order the principal of a Security is scheduled to be due and payable.

Section 2.02. Other Definitions. The terms “Bank”, “District”, and “Securities (Security)” have the meanings assigned to them in the recital paragraphs of this Agreement.

The term “Paying Agent/Registrar” refers to the Bank in the performance of the duties and functions of this Agreement.

ARTICLE III. PAYING AGENT/REGISTRAR

Section 3.01. Duties of Paying Agent. As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the District, pay on behalf of the District the principal of each Security at its Stated Maturity, Redemption Date, or Acceleration Date, to the Holder upon surrender of the Security to the Bank at the Bank Principal Payment Office.

As Paying Agent, the Bank shall, provided adequate collected funds have been provided to it for such purpose by or on behalf of the District, pay on behalf of the District the interest on each Security when due, by computing the amount of interest to be paid each Holder and preparing and sending checks by United States mail, first class postage prepaid, on each payment date, to the Holders of the Securities (or their Predecessor Securities) on the respective Record Date, to the address appearing on the Security Register or by such other method, acceptable to the Bank, requested in writing by the Holder at the Holder’s risk and expense.

Section 3.02. Payment Dates. The District hereby instructs the Bank to pay the principal of and interest on the Securities on the dates specified in the Order.

ARTICLE IV. REGISTRAR

Section 4.01. Security Register - Transfers and Exchanges. The Bank agrees to keep and maintain for and on behalf of the District at the Bank Principal Payment Office books and records (herein sometimes referred to as the “Security Register”) for recording the names and addresses of the Holders of the Securities, the transfer, exchange, and replacement of the Securities, and the payment of the principal of and interest on the Securities to the Holders and containing such other information as may be reasonably required by the District and subject to such reasonable regulations as the District and the Bank may prescribe. All transfers, exchanges, and replacement of Securities shall be noted in the Security Register.

Every Security surrendered for transfer or exchange shall be duly endorsed or be accompanied by a written instrument of transfer, the signature on which has been guaranteed by an officer of a federal or state bank or a member of the National Association of Securities Dealers, in form satisfactory to the Bank, duly executed by the Holder thereof or his agent duly authorized in writing.

The Bank may request any supporting documentation it feels necessary to effect a re-registration, transfer, or exchange of the Securities.

To the extent possible and under reasonable circumstances, the Bank agrees that, in relation to an exchange or transfer of Securities, the exchange or transfer by the Holders thereof will be completed and new Securities delivered to the Holder or the assignee of the Holder in not more than three business days

after the receipt of the Securities to be cancelled in an exchange or transfer and the written instrument of transfer or request for exchange duly executed by the Holder, or his duly authorized agent, in form and manner satisfactory to the Paying Agent/Registrar.

Section 4.02. Securities. At any time when the Bonds are not subject to a book-entry-only system of registration and transfer, the District shall provide an adequate inventory of printed Securities to facilitate transfers or exchanges thereof. The Bank covenants that the inventory of printed Securities will be kept in safekeeping pending their use, and reasonable care will be exercised by the Bank in maintaining such Securities in safekeeping, which shall be not less than the care maintained by the Bank for debt securities of other political subdivisions or corporations for which it serves as registrar, or that is maintained for its own securities.

Section 4.03. Form of Security Register. The Bank, as Registrar, will maintain the Security Register relating to the registration, payment, transfer, and exchange of the Securities in accordance with the Bank's general practices and procedures in effect from time to time. The Bank shall not be obligated to maintain such Security Register in any form other than those which the Bank has currently available and currently utilizes at the time.

The Security Register may be maintained in written form or in any other form capable of being converted into written form within a reasonable time.

Section 4.04. List of Security Holders. The Bank will provide the District at any time requested by the District, upon payment of the required fee, a copy of the information contained in the Security Register. The District may also inspect the information contained in the Security Register at any time the Bank is customarily open for business, provided that reasonable time is allowed the Bank to provide an up-to-date listing or to convert the information into written form.

Unless required by law, the Bank will not release or disclose the contents of the Security Register to any Person other than an authorized officer or employee of the District or to another Person, upon receipt of an District Request, except upon receipt of a court order or as otherwise required by law. Upon receipt of a court order and prior to the release or disclosure of the contents of the Security Register, the Bank will notify the District so that the District may contest the court order or such release or disclosure of the contents of the Security Register.

Section 4.05. Return of Cancelled Securities. All Securities surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Bank, shall be promptly cancelled by it and, if surrendered to the District, shall be delivered to the Bank and, if not already cancelled, shall be promptly cancelled by the Bank. The District may at any time deliver to the Bank for cancellation any Securities previously authenticated and delivered which the District may have acquired in any manner whatsoever, and all Securities so delivered shall be promptly cancelled by the Bank. All cancelled Securities held by the Bank shall be destroyed, and evidence of such destruction furnished to the District at such reasonable intervals as it determines subject to applicable rules and regulations of the Securities and Exchange Commission.

Section 4.06. Mutilated, Destroyed, Lost, or Stolen Securities. The District hereby instructs the Bank, subject to the applicable provisions of the Order, to deliver and issue Securities in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities as long as the same does not result in an over issuance.

In case any Security shall be mutilated, or destroyed, lost, or stolen, the Bank, in its discretion, may execute and deliver a replacement Security of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated

Security, or in lieu of and in substitution for such destroyed lost or stolen Security, only after (i) the filing by the Holder thereof with the Bank of evidence satisfactory to the Bank of the destruction, loss, or theft of such Security, and of the authenticity of the ownership thereof and (ii) the furnishing to the Bank of indemnification in an amount satisfactory to hold the District and the Bank harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Security shall be borne by the Holder of the Security mutilated, or destroyed, lost, or stolen.

Section 4.07. Transaction Information to District. The Bank will, within a reasonable time after receipt of written request from the District, furnish the District information as to the Securities it has paid pursuant to Section 3.01, Securities it has delivered upon the transfer or exchange of any Securities pursuant to Section 4.01, and Securities it has delivered in exchange for or in lieu of mutilated, destroyed, lost, or stolen Securities pursuant to Section 4.06.

ARTICLE V. THE BANK

Section 5.01. Duties of Bank. The Bank undertakes to perform the duties set forth herein and agrees to use reasonable care in the performance thereof. The Bank is also authorized to transfer funds relating to the closing and final delivery of the Securities in the manner disclosed in the closing memorandum as prepared by the District's financial advisor or other agent. The Bank may act on a facsimile or e-mail transmission of the closing memorandum acknowledged by the financial advisor or the District as the final closing memorandum. The Bank shall not be liable for any losses, costs, or expenses arising directly or indirectly from the Bank's reliance upon and compliance with such instructions.

Section 5.02. Reliance on Documents, Etc. (a) The Bank may conclusively rely, as to the truth of the statements and correctness of the opinions expressed therein, on certificates or opinions furnished to the Bank.

(b) The Bank shall not be liable for any error of judgment made in good faith by a Responsible Officer, unless it shall be proved that the Bank was negligent in ascertaining the pertinent facts.

(c) No provisions of this Agreement shall require the Bank to expend or risk its own funds or otherwise incur any financial liability for performance of any of its duties hereunder, or in the exercise of any of its rights or powers, if it shall have reasonable grounds for believing that repayment of such funds or adequate indemnity satisfactory to it against such risks or liability is not assured to it.

(d) The Bank may rely and shall be protected in acting or refraining from acting upon any resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. Without limiting the generality of the foregoing statement, the Bank need not examine the ownership of any Securities, but is protected in acting upon receipt of Securities containing an endorsement or instruction of transfer or power of transfer which appears on its face to be signed by the Holder or an agent of the Holder. The Bank shall not be bound to make any investigation into the facts or matters stated in a resolution, certificate, statement, instrument, opinion, report, notice, request, direction, consent, order, bond, note, security, or other paper or document supplied by District.

(e) The Bank may consult with counsel, and the written advice of such counsel or any opinion of counsel shall be full and complete authorization and protection with respect to any action taken, suffered, or omitted by it hereunder in good faith and in reliance thereon.

(f) The Bank may exercise any of the powers hereunder and perform any duties hereunder either directly or by or through agents or attorneys of the Bank.

(g) The Bank shall use its best efforts to perform its obligations hereunder, including the timely taking of action as required hereunder, provided, however, that the Bank shall not be liable for its failure to meet such deadlines, except such failure as shall result from its negligence or willful misconduct.

(h) The Bank shall not be liable for any loss or damage, including reasonable counsel fees and expenses, resulting from its actions or omissions to act hereunder, except for any loss or damage arising out of its own negligence or willful misconduct. IN NO EVENT SHALL THE BANK BE LIABLE FOR SPECIAL, INDIRECT OR CONSEQUENTIAL LOSS OR DAMAGE OF ANY KIND WHATSOEVER (INCLUDING BUT NOT LIMITED TO LOST PROFITS), EVEN IF THE BANK HAS BEEN ADVISED OF THE LIKELIHOOD OF SUCH LOSS OR DAMAGE AND REGARDLESS OF THE FORM OF ACTION.

Section 5.03. Recitals of District. The recitals contained herein with respect to the District and in the Securities shall be taken as the statements of the District, and the Bank assumes no responsibility for their correctness.

The Bank shall in no event be liable to the District, any Holder or Holders of any Security, or any other Person for any amount due on any Security from its own funds.

Section 5.04. May Hold Securities. The Bank, in its individual or any other capacity, may become the owner or pledgee of Securities and may otherwise deal with the District with the same rights it would have if it were not the Paying Agent/Registrar, or any other agent.

Section 5.05. Money Held by Bank. A special depository account shall at all times be kept and maintained by the Bank for the receipt, safekeeping, and disbursement of money received from the District and held hereunder for the payment of the Securities, and money deposited to the credit of such account until paid to the Holders of the Securities, to the extent permitted by law, shall be continuously collateralized by securities or obligations which qualify and are eligible under the laws of the State of Texas to secure and be pledged as collateral for deposits of public funds by an instrumentality and political subdivision of the State of Texas to the extent that such money is not insured by the Federal Deposit Insurance Corporation. Payments made from such account shall be made by check drawn on such account unless the owner of such Securities shall, at its own expense and risk, request such other medium of payment.

All funds at any time and from time to time provided to or held by the Bank hereunder shall be deemed, construed, and considered for all purposes as being provided to or held by the Bank in trust. The Bank acknowledges, covenants, and represents that it is acting herein in trust in relation to such funds, and is not accepting, holding, administering, or applying such funds as a banking depository, but solely as a paying agent for and on behalf of the Security thereto. The Holders shall be entitled to the same preferred claim and first lien on the funds so provided as are enjoyed by the beneficiaries of trust funds generally. The funds provided to the Bank hereunder shall not be subject to warrants, drafts or checks drawn by the District and, except as expressly provided herein, shall not be subject to compromise, setoff, or other charge or diminution by the Bank.

The Bank shall be under no liability for interest on any money received by it hereunder.

Subject to the unclaimed property laws of the State of Texas and any provisions in the Resolution to the contrary, any money deposited with the Bank for the payment of the principal, premium (if any), or interest on any Security and remaining unclaimed for three years after final maturity of the Security has

become due and payable will be paid by the Bank to the District, and the Holder of such Security shall thereafter look only to the District for payment thereof, and all liability of the Bank with respect to such money shall thereupon cease. If the District does not elect, the Bank is directed to report and dispose of the funds in compliance with Title 6 of the Texas Property Code, as amended.

Section 5.06. Indemnification. To the extent permitted by law, the District agrees to indemnify the Bank for, and hold it harmless against, any loss, liability, or expense incurred without negligence or bad faith on its part, arising out of or in connection with its acceptance or administration of its duties hereunder, including the cost and expense against any claim or liability in connection with the exercise or performance of any of its powers or duties under this Agreement.

Section 5.07. Interpleader. The District and the Bank agree that the Bank may seek adjudication of any adverse claim, demand, or controversy over its person as well as funds on deposit, in either a Federal or State District Court located in the State and County where the administrative offices of the District are located, and agree that service of process by certified or registered mail, return receipt requested, to the address referred to in Section 6.03 of this Agreement shall constitute adequate service. The District and the Bank further agree that the Bank has the right to file a Bill of Interpleader in any court of competent jurisdiction in the State of Texas to determine the rights of any Person claiming any interest herein.

Section 5.08. Depository Trust Company Services. It is hereby represented and warranted that, in the event the Securities are otherwise qualified and accepted for "Depository Trust Company" services or equivalent depository trust services by other organizations, the Bank has the capability and, to the extent within its control, will comply with the "Operational Arrangements," currently in effect, which establishes requirements for securities to be eligible for such type depository trust services, including, but not limited to, requirements for the timeliness of payments and funds availability, transfer turnaround time, and notification of redemptions and calls.

Section 5.09. Reporting Requirements of Paying Agent/Registrar. To the extent required by the Code and the regulations promulgated and pertaining thereto, it shall be the duty of the Paying Agent/Registrar, on behalf of the District, to report to the owners of the Certificates and the Internal Revenue Service (i) the amount of "reportable payments", if any, subject to backup withholding during each year and the amount of tax withheld, if any, with respect to payments of the Certificates and (ii) the amount of interest or amount treating as interest on the Certificates and required to be included in gross income of the owner thereof.

ARTICLE VI. MISCELLANEOUS PROVISIONS

Section 6.01. Amendment. This Agreement may be amended only by an agreement in writing signed by both of the parties hereto.

Section 6.02. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

Section 6.03. Notices. Any request, demand, authorization, direction, notice, consent, waiver, or other document provided or permitted hereby to be given or furnished to the District or the Bank shall be mailed or delivered to the District or the Bank, respectively, at the addresses shown on the signature page of this Agreement.

Section 6.04. Effect of Headings. The Article and Section headings herein are for convenience only and shall not affect the construction hereof.

Section 6.05. Successors and Assigns. All covenants and agreements herein by the District shall bind its successors and assigns, whether so expressed or not. Any corporation or association into which the Bank may be converted or merged, or with which it may be consolidated, or to which it may sell or transfer its trust business and assets as a whole, or any corporation or association resulting from any such conversion, sale, merger, consolidation or transfer to which it is a party, shall be and become successor Paying Agent/Registrar hereunder and vested with all of the powers; discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any instrument or any further act, deed, or conveyance on the part of any of the parties hereto, anything herein to the contrary notwithstanding.

Section 6.06. Severability. In case any provision herein shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby.

Section 6.07. Benefits of Agreement. Nothing herein, express or implied, shall give to any Person, other than the parties hereto and their successors hereunder, any benefit or any legal or equitable right, remedy, or claim hereunder.

Section 6.08. Entire Agreement. This Agreement and the Order constitute the entire agreement between the parties hereto relative to the Bank acting as Paying Agent/Registrar and if any conflict exists between this Agreement and the Order, the Order shall govern.

Section 6.09. Counterparts. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

Section 6.10. Termination. This Agreement will terminate (i) on the date of final payment of the principal of and interest on the Securities to the Holders thereof or (ii) may be earlier terminated by either party upon 60 days written notice; provided, however, an early termination of this Agreement by either party shall not be effective until (a) a successor Paying Agent/Registrar has been appointed by the District and such appointment accepted and (b) notice has been given to the Holders of the Securities of the appointment of a successor Paying Agent/Registrar. Furthermore, the Bank and District mutually agree that the effective date of an early termination of this Agreement shall not occur at any time which would disrupt, delay, or otherwise adversely affect the payment of the Securities.

Upon an early termination of this Agreement, the Bank agrees to promptly transfer and deliver the Security Register (or a copy thereof), together with other pertinent books and records relating to the Securities, to the successor Paying Agent/Registrar designated and appointed by the District.

The provisions of Section 1.02 and of Article Five shall survive and remain in full force and effect following the termination of this Agreement.

Section 6.11. Force Majeure. In no event shall the Bank be liable for any failure or delay in the performance of its obligations hereunder because of circumstances beyond the Bank's control, including, but not limited to, acts of God, flood, war (whether declared or undeclared), terrorism, fire, riot, strikes or work stoppages for any reason, embargo, government action, including any laws, ordinances, regulations or the like which restrict or prohibit the providing of the services contemplated by this Agreement, inability to obtain material, equipment, or communications or computer facilities, or the failure of equipment or interruption of communications or computer facilities, and other causes beyond the Bank's control whether or not of the same class or kind as specifically named above.

Section 6.12. Anti Boycott Verification. The Bank hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and, to

the extent this Agreement is a contract for goods or services, will not boycott Israel during the term of this Agreement. The foregoing verification is made solely to comply with Section 2271.002, Texas Government Code, and to the extent such Section does not contravene applicable Federal law. As used in the foregoing verification, 'boycott Israel' means refusing to deal with, terminating business activities with, or otherwise taking any action that is intended to penalize, inflict economic harm on, or limit commercial relations specifically with Israel, or with a person or entity doing business in Israel or in an Israeli-controlled territory, but does not include an action made for ordinary business purposes. The Bank understands 'affiliate' to mean an entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.13. Iran, Sudan and Foreign Terrorist Organizations. The Bank represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, and posted on any of the following pages of such officer's internet website:

<https://comptroller.texas.gov/purchasing/docs/sudan-list.pdf>,
<https://comptroller.texas.gov/purchasing/docs/iran-list.pdf>, or
<https://comptroller.texas.gov/purchasing/docs/fto-list.pdf>.

The foregoing representation is made solely to comply with Section 2252.152, Texas Government Code, and to the extent such Section does not contravene applicable Federal law neither the Bank nor any wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization. The Bank understands "affiliate" to mean any entity that controls, is controlled by, or is under common control with the Bank and exists to make a profit.

Section 6.14. Governing Law. This Agreement shall be construed in accordance with and governed by the laws of the State of Texas.

[Remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Attest:

By _____

Title _____

By _____

Title _____

Address: _____

(BANK SEAL)

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first above written.

Attest:

UNITED INDEPENDENT SCHOOL DISTRICT

By _____
Secretary, Board of Trustees

(DISTRICT SEAL)

By _____
President, Board of Trustees
Address: 201 Lindenwood
Laredo, Texas 78045

SCHEDULE A

Paying Agent/Registrar Fee Schedule