



ALEDO ISD BOARD MEETING TEMPLATE

MEETING DATE: July 31, 2023

AGENDA ITEM: Consider All Matters Incident and Related to the Issuance and Sale of Aledo Independent School District Unlimited Tax School Building Bonds, Series 2023, Including the Adoption of an Order Authorizing the Issuance of Such Bonds and Establishing Procedures and Delegating Authority for the Sale and Delivery of Such Bonds

PRESENTER: Earl Husfeld, Chief Financial Officer

BACKGROUND INFORMATION:

- On May 6, 2023, voters of the Aledo ISD passed the 2023 Bond Election in the amount of \$123,800,000.
- The following “Review of Preliminary Financing Plan - \$123,800,000 2023 Bond Program”, prepared by BOK Financial Securities, Inc., provides explanation and insight into the factors the District has considered and the rationale for making the recommendation to the Board of Trustees to sell the total 2023 bond authorization at this time.
- To ensure the most advantageous timing of the bond sale, the Board of Trustees is being asked to approve a Parameters Bond Order (the Order). The Order delegates the ability to approve the issuance of the bonds to the District’s Superintendent and/or Chief Financial Officer if certain parameters are met as specified in the Order.
- Although the recommended parameters for this bond sale are different, the District has used this method many times in prior years with bond refinancings and sales.
- Also provided for your review is a copy of the Order prepared by the District’s bond attorneys, McCall, Parkhurst, & Horton L.L.P.
- Mr. Josh McLaughlin, with BOK Financial Securities, Inc., will discuss with you the preliminary financing plan for the 2023 bond program.

FISCAL INFORMATION:

Included in the memorandum from BOK Financial Securities, Inc.

ATTACHMENTS:

Presentation by BOK Financial Securities, Inc., “Review of Preliminary Financing Plan - \$123,800,000 2023 Bond Program” and Parameters Bond Order

ADMINISTRATIVE RECOMMENDATION:

The Administration recommends the Board of Trustees move to Adopt an Order Authorizing the Issuance and Sale of Aledo Independent School District Unlimited Tax School Building Bonds, Series 2023 as presented.



Review of Preliminary Financing Plan – \$123,800,000 2023 Bond Program

Monday, July 31, 2023



Congratulations and Go Bearcats!

2023
BOND 

Aledo Independent School District

May 6, 2023 Bond Election Results:

2,636 Votes For | **2,040** Votes Against

56.37% Approval Rate



Savings from District's Debt Management Practices

- ❑ Aledo Independent School District (“AISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have provided the District’s taxpayers with more than \$51.0 million of direct savings since year 2006!
 - ❖ \$ 37,720,826 – Bond Refundings
 - ❖ \$ 6,024,625 – Prepayment of Bonds
 - ❖ \$ 7,352,011 – Lower Interest Rates from Prudent Use of Variable Rate Bonds
 - \$ 51,097,462 – Total Savings to Taxpayers**



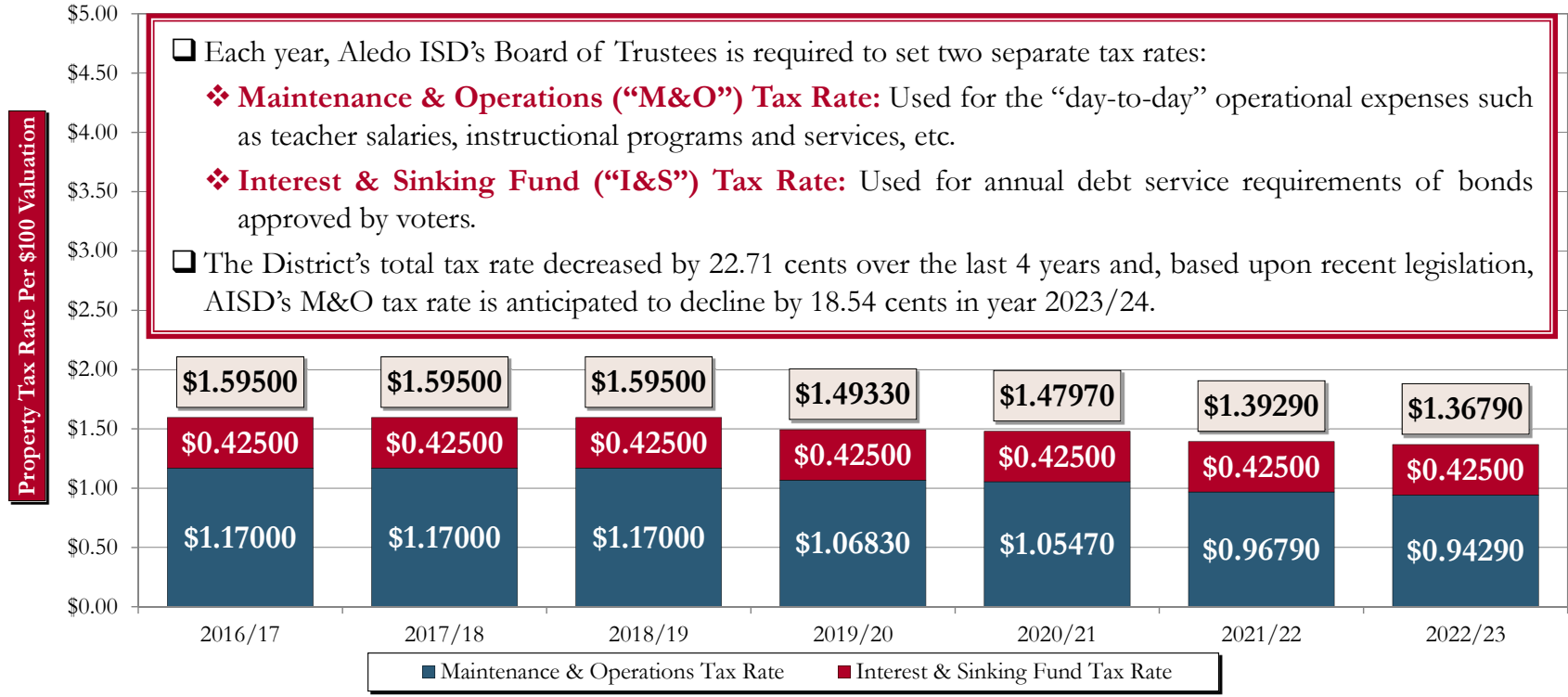
Savings from District's Debt Management Practices (Continued)

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2006	1998	\$ 23,035,000	\$ 1,172,515
Unlimited Tax Refunding Bonds, Series 2007	1998	7,520,000	988,788
Unlimited Tax Refunding Bonds, Series 2012	2001, 2005-A	8,519,919	1,075,426
Unlimited Tax Refunding Bonds, Series 2013-A	2005-A	8,985,000	2,344,653
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	2005-A, 2006	17,010,000	2,204,602
Unlimited Tax Refunding Bonds, Series 2014	2005-A	9,330,000	1,866,979
Unlimited Tax Refunding Bonds, Series 2015	2005-A, 2006, 2008	13,195,000	3,502,667
Unlimited Tax Refunding Bonds, Series 2016	2008	56,615,000	12,467,671
Unlimited Tax Refunding Bonds, Taxable Series 2021	2012, 2013-A, 2013-B, 2014, 2015, 2015-A	55,385,000	12,097,525
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 199,594,919	\$ 37,720,826
Prepayment of Series 2007 Bonds - February 2018	2007	\$ 1,275,000	\$ 552,750
Prepayment of Series 2007 Bonds - February 2019	2007	2,240,000	588,600
Prepayment of Series 2007 & 2012 Bonds - February 2020	2007, 2012	3,995,000	488,775
Prepayment of Series 2016 Bonds - August 2022	2016	1,860,000	1,581,000
Prepayment of Series 2016 Bonds - August 2023	2016	3,310,000	2,813,500
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 12,680,000	\$ 6,024,625
Totals	---	\$ 212,274,919	\$ 43,745,451



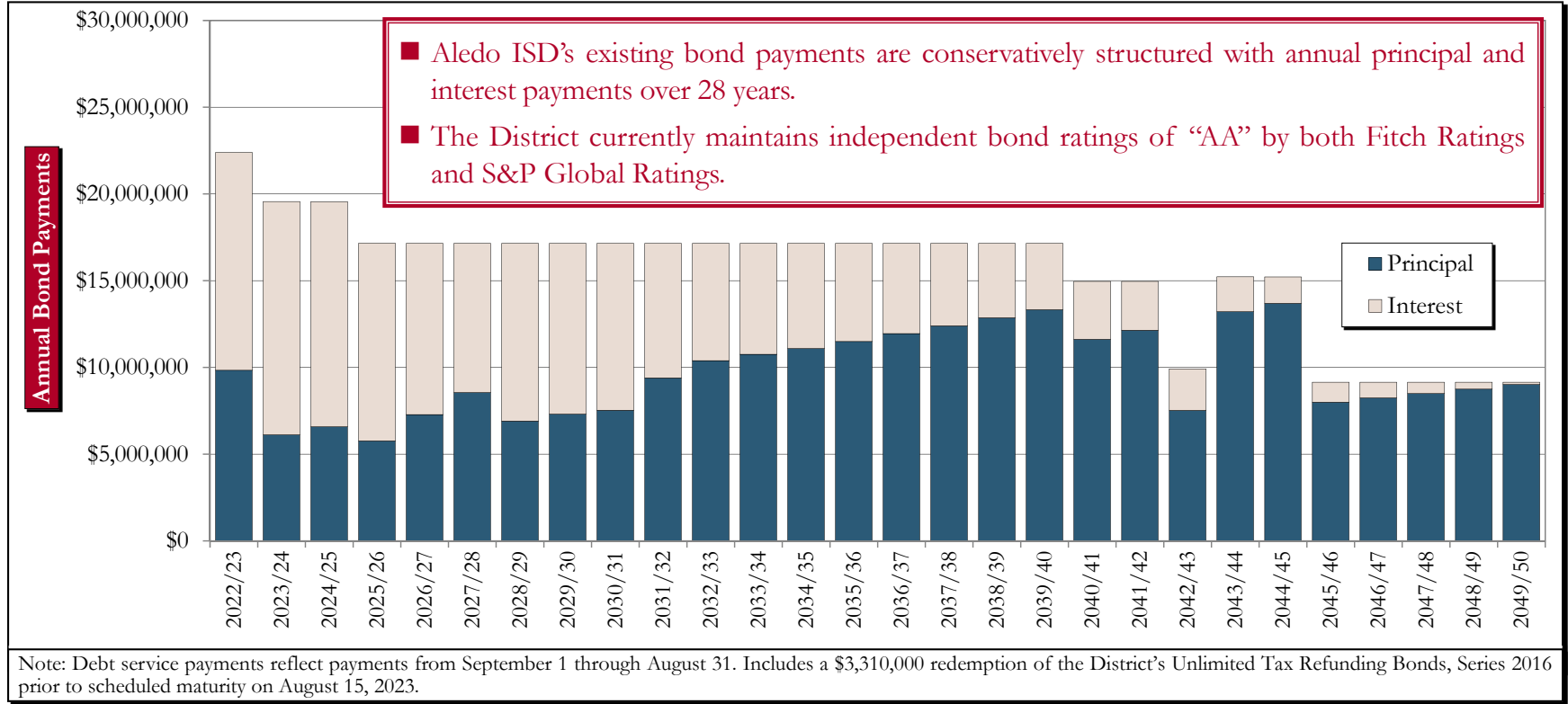
Historical Tax Rates

District's Historical Tax Rates





Dollar Amount and Structure of District's Existing Bonds



Aledo ISD has a total principal amount of existing unlimited tax bonds equal to \$263,668,437 as of July 15, 2023.



Goals of Financing Plan – 2023 Bond Program

- Meet or exceed expectations of taxpayers – Fully implement the 2023 Bond Program within the projected cost communicated to voters at the time of the May 6, 2023 bond election;
 - The \$123,800,000 2023 Bond Program would result in a 2.5 cent I&S tax rate increase, which represents a maximum I&S tax rate of 45.0 cents.
- Maximize the District’s future bond capacity for capital improvements;
- Maintain a bond repayment period of 30 years or less;
- Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives;
- Incorporate ongoing flexibility to prepay outstanding bonds to reduce the interest cost of taxpayers; and
- Structure repayment of bonds to comply with the State-mandated “50-Cent Debt” limitation and to minimize the use of Capital Appreciation Bonds (“CABs”).



Summary of Proposed Projects – 2023 Bond Program

- The following summarizes the proposed projects included within the 2023 Bond Program.

Summary of Proposed Projects - 2023 Bond Program	
Project Description	Total Project Cost
--- Construction of Elementary School No. 7	\$ 59,800,000
--- Aledo High School - Additional Space/Repurpose	20,200,000
--- Land (Include tracts for additional high school facilities)	17,800,000
--- Technology	6,500,000
--- Facility Maintenance	5,000,000
--- Furniture - Aledo High School and Daniel 9th Grade Campus	5,000,000
--- Safety and Security	5,000,000
--- Transportation	4,500,000
Summary of Total Project Cost	\$ 123,800,000



Preliminary Financing Plan – 2023 Bond Program

This Preliminary Financing Plan is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to Aledo ISD will correspondingly change.

Scenario Presented

- Aledo ISD issues \$123,800,000 of bonds from the 2023 Bond Program (the “Series 2023 Bonds”) in August 2023 utilizing fixed rates of interest based upon a 2.5 cent I&S tax rate increase (that is accompanied by an estimated M&O tax rate decrease of 18.54 cents for an estimated overall total tax rate decrease of 16.04 cents).
- After the issuance of the Series 2023 Bonds, AISD will have no bonds remaining to be sold from the 2023 Bond Program.



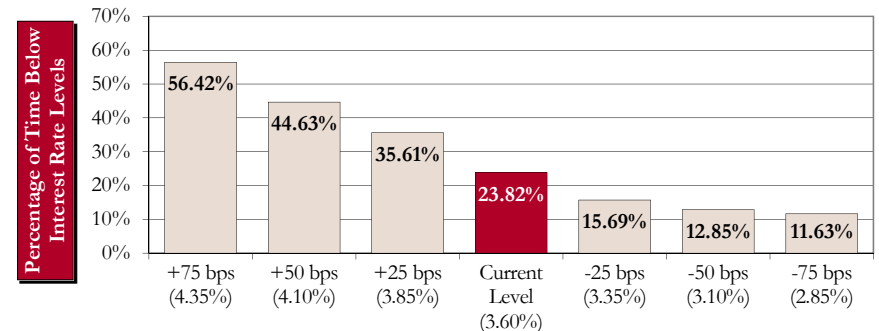
Municipal Market Overview

The Bond Buyer 20-Bond Index – January 1, 2000 To The Present



The Bond Buyer 20-Bond Index – Percentage Time “Below” Current Level Since January 1, 2000

- Notwithstanding concerns regarding inflation and a potential recession, municipal interest rate levels remain below historical averages with the “Bond Buyer 20-Bond Index” currently 0.50% below the historical average experienced since January 2000.
- The adjacent graph demonstrates the percentage of time The Bond Buyer 20-Bond Index has been “below” certain interest rate levels since year 2000. As shown, interest rates have been lower than current market levels 23.82% of the time and, as such, interest rates have been higher 76.18% of the time.





Preliminary Financing Plan – 2023 Bond Program

□ Assumptions

- The Series 2023 Bonds will initially be structured with annual principal payments over the next 30 years (i.e. final maturity of February 15, 2053). However, Aledo ISD will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- ❖ Projects funded from the 2023 Bond Program will be financed over their useful lives as summarized below:

Project	Average Life of Debt Obligation
Software	5 Years
Devices (i.e. Computer Equipment)	5 Years
Furniture, Fixtures & Equipment	10 Years
School Buses	10 Years
Technology Infrastructure	10 Years
New School Buildings, Infrastructure, Land	30 Years



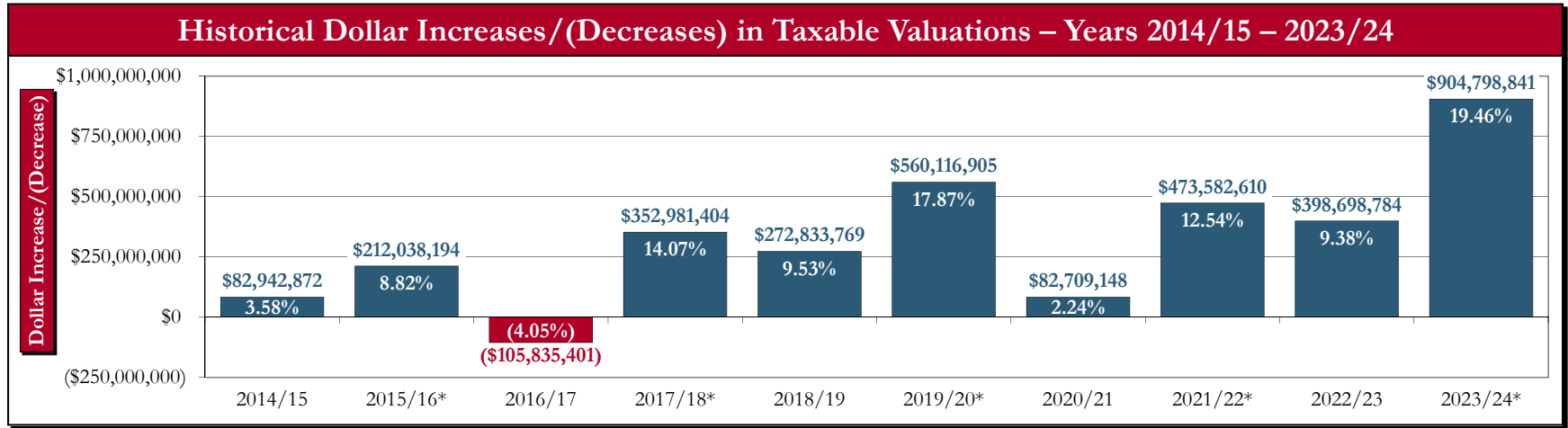
Preliminary Financing Plan – 2023 Bond Program

- The Series 2023 Bonds will be sold based upon current market, fixed rates of interest (as of July 27, 2023) plus 0.25%.
- Aledo ISD will annually have \$2,780,845 of “Other Available Revenues” available for bond payments, which consists of frozen I&S Fund tax collections (\$2,405,845), interest earnings on I&S tax collections (\$250,000), delinquent I&S tax collections (\$80,000), penalties and interest (\$60,000), and less estimated annual bond fees of \$15,000.
- AISD will generate a premium on the Series 2023 Bonds for “Capitalized Interest” purposes in order to have a qualifying bond payment in August 2023 for potential “ASAHE” funding from the State.
- The District will not receive any State assistance for the repayment of bonds.
- Tax collection rate of 99%.



Summary of District’s Historical Taxable Assessed Valuation

- ❑ Aledo ISD’s taxable assessed valuation (net of frozen values) is \$4,650,119,025 for year 2022/23 and \$5,554,917,866 (adjusted for the increase in the residential homestead exemption from \$40,000 to \$100,000) for fiscal year 2023/24.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Average tax base increase – “Non-Reappraisal Years”: \$146,269,834 or 4.14%; and
 - Average tax base increase – “Reappraisal Years”: \$500,703,591 or 14.55%.



- ❑ This Preliminary Financing Plan assumes Aledo ISD’s taxable value will increase by 5% in year 2024/25 and remain constant thereafter.



Preliminary Financing Plan – 2023 Bond Program

- ❑ Based upon the Preliminary Financing Plan herein, the 2023 Bond Program is projected to be fully implemented **\$46,770,091 below** the original cost communicated to voters at the time of the May 2023 bond election.

Series 2023 Bonds – Summary of Projected Results			
Description	Voter Information Document	Preliminary Financing Plan (July 31, 2023)	Difference
Dollar Amount of Bonds to be Issued – Series 2023 Bonds	\$ 123,800,000	\$ 123,800,000	---
Projected True Interest Cost (“All-In TIC”) – Series 2023 Bonds	5.50%	4.48%	1.02%
Projected I&S Tax Rate Increase	2.5 Cents	2.5 Cents	--- Cents
Projected Net Bond Payments – Series 2023 Bonds	\$ 272,653,643	\$ 225,883,552	\$ 46,770,091
Projected Bond Repayments – 5 Years (i.e. Years 2023/24 – 2027/28)	\$ 3,540,000	\$ 11,145,000	\$ 7,605,000
Projected Bond Repayments – 10 Years (i.e. Years 2023/24 – 2032/33)	10,910,000	22,185,000	12,275,000
Projected Bond Repayments – 15 Years (i.e. Years 2023/24 – 2037/38)	20,625,000	36,380,000	15,755,000
Final Maturity – Series 2023 Bonds	Feb. 15, 2053	Feb. 15, 2053	---



Preliminary Financing Plan – 2023 Bond Program

Preliminary Financing Plan - \$123,800,000 2023 Bond Program (As of July 28, 2023)											
A	B	C	D	E	F	G	H	I	J	K	
Year	Total Existing Bond Payments	Plus: August-23 Fixed Rate Series 2023 \$123,800,000 @ 4.48%	Total Combined Bond Payments	Less: Projected State Funding Assistance	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Less: Capitalized Interest	Net Combined Bond Payments	Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference	
2022/23	\$22,393,038	\$16,205	\$22,409,243	\$0	\$2,826,633	\$16,205	\$19,566,405	\$4,650,119,025	0.4250		
2023/24	19,561,644	7,964,802	27,526,446	0	2,780,845	0	24,745,601	5,554,917,866	0.4500	\$0.0250	
2024/25	19,557,082	9,207,375	28,764,457	0	2,780,845	0	25,983,612	5,832,663,759	0.4500		
2025/26	17,154,232	7,034,250	24,188,482	0	2,780,845	0	21,407,637	5,832,663,759	0.3708	(\$0.0792)	
2026/27	17,151,275	7,040,125	24,191,400	0	2,780,845	0	21,410,555	5,832,663,759	0.3708		
2027/28	17,152,525	7,036,875	24,189,400	0	2,780,845	0	21,408,555	5,832,663,759	0.3708		
2028/29	17,152,097	7,039,375	24,191,472	0	2,780,845	0	21,410,627	5,832,663,759	0.3708		
2029/30	17,151,785	7,037,375	24,189,160	0	2,780,845	0	21,408,315	5,832,663,759	0.3707		
2030/31	17,151,115	7,035,750	24,186,865	0	2,780,845	0	21,406,020	5,832,663,759	0.3707		
2031/32	17,151,250	7,039,125	24,190,375	0	2,780,845	0	21,409,530	5,832,663,759	0.3708		
2032/33	17,148,392	7,042,125	24,190,517	0	2,780,845	0	21,409,672	5,832,663,759	0.3708		
2033/34	17,154,052	7,034,750	24,188,802	0	2,780,845	0	21,407,957	5,832,663,759	0.3707		
2034/35	17,147,443	7,041,625	24,189,068	0	2,780,845	0	21,408,223	5,832,663,759	0.3707		
2035/36	17,153,447	7,037,375	24,190,822	0	2,780,845	0	21,409,977	5,832,663,759	0.3708		
2036/37	17,152,662	7,036,875	24,189,537	0	2,780,845	0	21,408,692	5,832,663,759	0.3708		
2037/38	17,149,904	7,039,625	24,189,529	0	2,780,845	0	21,408,684	5,832,663,759	0.3708		
2038/39	17,153,616	7,035,375	24,188,991	0	2,780,845	0	21,408,146	5,832,663,759	0.3707		
2039/40	17,151,905	7,038,750	24,190,655	0	2,780,845	0	21,409,810	5,832,663,759	0.3708		
2040/41	14,958,858	7,785,125	22,743,983	0	2,780,845	0	19,963,138	5,832,663,759	0.3458	(\$0.0250)	
2041/42	14,958,417	7,788,125	22,746,542	0	2,780,845	0	19,965,697	5,832,663,759	0.3458		
2042/43	9,922,776	12,821,375	22,744,151	0	2,780,845	0	19,963,306	5,832,663,759	0.3457		
2043/44	15,223,209	7,523,625	22,746,834	0	2,780,845	0	19,965,989	5,832,663,759	0.3458		
2044/45	15,218,909	7,528,250	22,747,159	0	2,780,845	0	19,966,314	5,832,663,759	0.3458		
2045/46	9,149,775	7,822,875	16,972,650	0	2,780,845	0	14,191,805	5,832,663,759	0.2458	(\$0.1000)	
2046/47	9,151,250	7,821,625	16,972,875	0	2,780,845	0	14,192,030	5,832,663,759	0.2458		
2047/48	9,150,300	7,821,000	16,971,300	0	2,780,845	0	14,190,455	5,832,663,759	0.2458		
2048/49	9,151,700	7,820,250	16,971,950	0	2,780,845	0	14,191,105	5,832,663,759	0.2458		
2049/50	9,150,225	7,818,625	16,968,850	0	2,780,845	0	14,188,005	5,832,663,759	0.2458		
2050/51	0	6,864,750	6,864,750	0	2,780,845	0	4,083,905	5,832,663,759	0.0707	(\$0.1751)	
2051/52	0	6,864,000	6,864,000	0	2,780,845	0	4,083,155	5,832,663,759	0.0707		
2052/53	0	6,862,375	6,862,375	0	2,780,845	0	4,081,530	5,832,663,759	0.0707		
Total	\$434,822,883	\$225,899,787	\$660,722,640	\$0	\$86,251,983	\$16,205	\$574,454,452				



Summary of AISD’s Estimated Callable Bonds – After the Sale of the Series 2023 Bonds

- Upon completion of the Series 2023 Bond sale, Aledo ISD is estimated to have \$314,350,000 of bonds eligible to be repaid prior to maturity.

Estimated Summary of Callable Unlimited Tax Bonds - Upon Completion of the Series 2023 Bond Sale						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Unlimited Tax Refunding Bonds, Series 2013-A	Any Date	\$ 145,000	\$ 145,000	2024 - 2026	2026	3.000%
Unlimited Tax Refunding Bonds, Taxable Series 2013-B	Any Date	375,000	375,000	2024 - 2026	2026	2.630% - 2.930%
Unlimited Tax Refunding Bonds, Series 2015	02/15/2025	3,640,000	3,605,000	2026; 2029; 2033	2033	2.990% - 4.000%
Unlimited Tax School Building Bonds, Series 2015-A	02/15/2025	10,480,000	4,470,000	2026 - 2034	2034	3.400% - 4.000%
Unlimited Tax Refunding Bonds, Series 2016	02/15/2026	48,270,000	48,270,000	2036 - 2043	2043	4.000% - 5.000%
Unlimited Tax Refunding Bonds, Series 2019	02/15/2028	9,990,000	6,840,000	2029 - 2034	2034	4.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2020	02/15/2029	132,045,000	113,640,000	2030 - 2050	2050	3.000% - 5.000%
Unlimited Tax Refunding Bonds, Taxable Series 2021	08/15/2030	53,325,000	41,160,000	2031 - 2045	2045	1.521% - 2.452%
Unlimited Tax School Building Bonds, Series 2023	02/15/2033	123,800,000	95,845,000	2034 - 2053	2053	TBD
Unlimited Tax School Building Bonds, Series 2001	Non-Callable	2,088,437	---	---	2032	---
Totals	---	\$ 384,158,437	\$ 314,350,000	---	---	---



Overview of “Parameters Bond Order” – Series 2023 Bond Sale

- ❑ As previously utilized for prior bond sales, Aledo ISD’s Board of Trustees may adopt a “Parameters Bond Order” designating the ability to approve the issuance of the Series 2023 Bonds to the District’s Administration if each of the established parameters is met.

- ❑ The Board of Trustees will consider a “Parameters Bond Order” at its Monday, July 31, 2023 Board meeting and the following is a representative listing of the primary parameters we would currently recommend for the Series 2023 Bonds:
 - 1) Maximum principal amount of bonds to be issued – \$123,800,000;
 - 2) Maximum “All-In” True Interest Rate (must not exceed) – 5.50%;
 - 3) Final maturity of the Series 2023 Bonds – February 15, 2053; and
 - 4) Sale must be completed prior to July 30, 2024 (i.e. 1 year).

- ❑ Unless each parameter listed above can be achieved, the Series 2023 Bonds will not be issued until additional direction is received from the District.



Preliminary Timetable – Series 2023 Bonds

July 2023						
S	M	T	W	T	F	S
						1
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29
30	31					

August 2023						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September 2023						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

Board Meeting
 Closing – Receipt of Funds

Preliminary Timetable – Series 2023 Bonds	
Date*	Action Necessary
July 31, 2023	Board Meeting – Discuss the Preliminary Financing Plan for the sale of Unlimited Tax School Building Bonds, Series 2023 (the “Series 2023 Bonds”) and consider a “Parameters Bond Order” authorizing the issuance of the Series 2023 Bonds.
August 4, 2023	Completion of all actions necessary to sell the Series 2023 Bonds (i.e. Preliminary Official Statement is completed, the Permanent School Fund guarantee is received, obtain bond ratings, etc.).
To Be Determined	Bond Sale – Pricing of the Series 2023 Bonds pursuant to specified parameters and the District’s Administration approves the necessary legal documents – Interest rates locked-in at this time.
August 29, 2023	Closing – Proceeds of the Series 2023 Bonds are delivered to the District.
* Preliminary, subject to change.	



Questions



CERTIFICATE FOR ORDER

THE STATE OF TEXAS
COUNTIES OF PARKER AND TARRANT
ALEDO INDEPENDENT SCHOOL DISTRICT

We, the undersigned officers of the Board of Trustees (the "Board") of the Aledo Independent School District hereby certify as follows:

1. The Board convened in a special meeting on July 31, 2023, at the designated meeting place, and the roll was called of the duly constituted officers and members of the Board, to wit:

Forrest Collins, President
Jessica Brown, Vice President
David Lear, Secretary
Jennifer Loftin, Board Member

Jennifer Taylor, Board Member
Zach Tarrant, Board Member
Hoyt Harris, Board Member

and all of said persons were present except _____, thus constituting a quorum. Whereupon, among other business the following was transacted at said meeting: a written

ORDER AUTHORIZING THE ISSUANCE OF ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023; ESTABLISHING SALE PARAMETERS; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

was duly introduced for the consideration of the Board. It was then duly moved and seconded that said Order be passed; and, after due discussion, said motion, carrying with it the passage of said Order, prevailed and carried, with all members of the Board shown present above voting "Aye," except as noted below:

NAYS: _____ ABSTENTIONS: _____

2. A true, full, and correct copy of the aforesaid Order passed at the meeting described in the above and foregoing paragraph is attached to and follows this Certificate; said Order has been duly recorded in the Board's minutes of said meeting; the above and foregoing paragraph is a true, full, and correct excerpt from the Board's minutes of said meeting pertaining to the passage of said Order; the persons named in the above and foregoing paragraph are the duly chosen, qualified, and acting officers and members of the Board as indicated therein; that each of the officers and members of the Board was duly and sufficiently notified officially and personally, in advance, of the time, place, and purpose of the aforesaid meeting, and that said Order would be introduced and considered for passage at said meeting, and each of said officers and members consented, in advance, to the holding of said meeting for such purpose; and that said meeting was open to the public, and public notice of the time, place, and purpose of said meeting was given all as required by the Texas Government Code, Chapter 551.

3. The Board has approved the Order, and the President and Secretary of the Board hereby declare that their signing of this certificate shall constitute the signing of the attached and following copy of said Order for all purposes.

SIGNED AND SEALED ON JULY 31, 2023.

Secretary, Board of Trustees

President, Board of Trustees

(District Seal)

**ORDER OF BOARD OF TRUSTEES
OF
ALEDO INDEPENDENT SCHOOL DISTRICT**

AUTHORIZING THE ISSUANCE OF

**ALEDO INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS,
SERIES 2023**

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ORDER AUTHORIZING THE ISSUANCE OF ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023; ESTABLISHING SALE PARAMETERS; LEVYING AN ANNUAL AD VALOREM TAX AND PROVIDING FOR THE SECURITY FOR AND PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

**THE STATE OF TEXAS
COUNTIES OF PARKER AND TARRANT
ALEDO INDEPENDENT SCHOOL DISTRICT**

WHEREAS, at an election in Aledo Independent School District (the "District") held on May 6, 2023 (the "Election"), the voters of the District approved the issuance of unlimited tax bonds by the District in one proposition totaling \$123,800,000, which proposition reads as follows:

"Shall the Board of Trustees of the Aledo Independent School District be authorized to issue the bonds of the District, in one or more series, in the aggregate principal amount of \$123,800,000 for the construction, renovation, acquisition and equipment of school facilities in the District (including, but not limited to, improvements to enhance safety and security), including the acquisition of land therefor and the acquisition of new school buses, with said bonds to mature within not to exceed 40 years from their date, bear interest, and be issued and sold, within the discretion of the Board of Trustees, in accordance with law at the time of issuance; and shall the Board of Trustees be authorized to levy and pledge, and cause to be assessed and collected, annual ad valorem taxes, on all taxable property in the District, sufficient, without limit as to rate or amount, to pay the principal of and interest on said bonds, and the costs of any credit agreements executed in connection with the bonds?"; and

WHEREAS, the Board of Trustees of the District (the "Board") deems it necessary and advisable to authorize, issue and deliver bonds authorized at the Election (the "Bonds") in an amount up to \$123,800,000, with the final amount to be determined by the Pricing Officer (hereinafter designated) in the Pricing Certificate and as set forth in the table below:

<u>Amount Authorized</u>	<u>Purpose</u>	<u>Amount Previously Sold</u>	<u>Amount Being Issued⁽¹⁾</u>	<u>Amount Remaining</u>
\$123,800,000	School Facilities	\$0	\$ _____	\$ _____

(1) Includes premium deposited into the Construction Fund and applied against voted authorization. The table above shall be reproduced in the Pricing Certificate with such changes necessary to reflect the final pricing information.

WHEREAS, the Bonds are being issued and delivered pursuant to Sections 45.001 and 45.003(b) of the Texas Education Code and Chapter 1371 (defined below); and

WHEREAS, the District is an "Issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the District to issue the Bonds, in one or more series, for the purposes stated herein, and to delegate to the Pricing Officer the authority to act on behalf of the District in selling and delivering the Bonds and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in one or more pricing certificates (the "Pricing Certificate") to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code; and

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Order, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code;

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

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS. (a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The Bonds are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth for the public purposes of providing funds to (i) pay for the costs of the Projects (defined below) and (ii) pay the costs incurred in connection with the issuance of the Bonds.

(c) Each Bond issued pursuant to this Order shall be designated: "ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BOND, SERIES 2023", or such other designation set forth in a Pricing Certificate, as single series of bonds or as multiple series of bonds, to be determined by the Pricing Officer in one or more Pricing Certificates, and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof

(with the initial Bond(s) being made payable to the Underwriter as described herein), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the "Registered Owner"). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption, if applicable, prior to maturity at the rates per annum, as set forth in one or more Pricing Certificates.

Section 2. DEFINITIONS. Unless otherwise expressly provided or unless the context clearly requires otherwise in this Order, the following terms shall have the meanings specified below:

"Attorney General" shall mean the Attorney General of the State.

"Board" means the Board of Trustees of the District.

"Bonds" means the "Aledo Independent School District Unlimited Tax School Building Bonds, Series 2023", and includes all Bonds initially issued and delivered pursuant to this Order and all substitute Bonds and Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term "Bond" shall mean any of the Bonds.

"Chapter 1371" means Chapter 1371, Texas Government Code, as amended.

"Code" means the Internal Revenue Code of 1986, as amended.

"Comptroller" shall mean the Comptroller of Public Accounts of the State.

"Delivery Date" shall mean the date or dates of delivery of any series of Bonds to the Underwriter against payment therefor, as determined by the Pricing Officer in the Pricing Certificate.

"Projects" means the construction, renovation, acquisition and equipment of school facilities in the District (including, but not limited to, improvements to enhance safety and security), including the acquisition of land therefor and the acquisition of new school buses.

"State" shall mean the State of Texas.

"Underwriter" shall mean the initial purchaser(s) of the Bonds designated by the Pricing Officer in the Pricing Certificate.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Section 1371.053, Texas Government Code, as amended, the Superintendent of Schools and the Chief Financial Officer of the District are each individually hereby authorized to act on behalf of the

District in selling and delivering the Bonds (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer"), carrying out the procedures specified in this Order, including determining the principal amount of Bonds to be issued, the amount to be applied against each proposition, determining whether the Bonds shall be issued in one or more series or subseries, the date or dates of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms, if any, upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the District, as well as any mandatory sinking fund redemption provisions, whether the Bonds of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, approving modifications or additions to the Rule 15c2-12 continuing disclosure undertaking, approving modifications to the term Defeasance Securities, and all other matters relating to the issuance, sale and delivery of the Bonds, including without limitation obtaining the Permanent School Fund guarantee for the Bonds, if available, and/or procuring municipal bond insurance and approving modifications to this Order and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

- (i) the aggregate original principal amount of the Bonds shall not exceed \$123,800,000;
- (ii) no Bond of any series (if multiple series are issued) shall mature after February 15, 2053; and
- (iii) the all-in true interest cost for each series of Bonds (if multiple series are issued) shall not exceed 5.50%.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in Subsection (a) above, which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer by July 30, 2024. The Pricing Officer may determine to issue one or more series of Bonds and may exercise the authority granted herein on one or more dates to effectuate the issuance of multiple series of Bonds if multiple series are issued and, if multiple series are issued, each separate series may close on separate dates or on the same date, as determined by the Pricing Officer. The Bonds shall be sold at such prices, with and subject to such terms as set forth in one or more Pricing Certificates.

(c) The Bonds of one or more series may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Bonds of one or more series are sold by private placement, the applicable Pricing Certificate shall so state, and the applicable Pricing Certificate may make changes to this Order to effect such private placement of such

Bonds, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information).

(d) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Board hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Order is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, the most advantageous reasonably available, and the Pricing Officer is hereby authorized to make and include a finding to that effect in the Pricing Certificate.

Section 4. CHARACTERISTICS OF THE BONDS. (a) Registration, Transfer, Conversion and Exchange. The District shall keep or cause to be kept at the designated office of the bank named in the Pricing Certificate as the paying agent/registrars for the Bonds (the "Paying Agent/Registrar"), books or records for the registration of the transfer, conversion and exchange of the Bonds (the "Registration Books"), and the District hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions and exchanges under such reasonable regulations as the District and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions and exchanges as herein provided within three days of presentation in due and proper form. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the registered owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each registered owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. The District shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The District shall pay the Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange and delivery of a substitute Bond or Bonds. Registration of assignments, transfers, conversions and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth as **Exhibit A** of this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

(b) Authentication. Except as provided in Section 4(e) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders or resolutions need be passed or adopted by the governing body of the District or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion

thereof, and the Paying Agent/Registrar shall provide for the printing, execution and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar, and, upon the execution of said Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Order, approved by the Attorney General and registered by the Comptroller.

(c) Payment of Bonds and Interest. The District hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the District and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Order. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each registered owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(d) Substitute Paying Agent/Registrar. The District covenants with the registered owners of the Bonds that at all times while the Bonds are outstanding the District will provide a competent and legally qualified bank, trust company, financial institution or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Order, and that the Paying Agent/Registrar will be one entity. The District reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the District covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the District. Upon any change in the Paying Agent/Registrar, the District promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each registered owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar

shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(e) General Characteristics of the Bonds. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the District at least 35 days prior to any such redemption date), (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed and authenticated, (vii) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and the Paying Agent/Registrar and the District shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth as **Exhibit A** of this Order. The Bonds initially issued and delivered pursuant to this Order are not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Order the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the FORM OF BOND set forth as **Exhibit A** of this Order.

(f) Book-Entry-Only System. Unless the Bonds are sold by private placement, the Bonds issued in exchange for the Bonds initially issued to the Underwriter shall be initially issued in the form of a separate single fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York ("DTC"), and except as provided in subsection (g) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations and certain other organizations on whose behalf DTC was created ("DTC Participant") to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the District and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of

payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the registered owners, as shown in the Registration Books as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner, as shown in the Registration Books, shall receive a Bond certificate evidencing the obligation of the District to make payments of principal and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the registered owner at the close of business on the Record Date, the words "Cede & Co." in this Order shall refer to such new nominee of DTC.

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

(h) Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the representation letter of the District to DTC.

(i) Cancellation of Initial Bond(s). On the Delivery Date, one initial Bond representing the entire principal amount of the Bonds, payable in stated installments to the order of the Underwriter or its designee, executed by manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to the Underwriter or its designee. If the Bonds are sold subject to the book-entry system of DTC, then upon payment for the initial Bond(s), the Paying

Agent/Registrar shall insert the Delivery Date on the initial Bond(s), cancel each of the initial Bond(s) and deliver to DTC on behalf of the Underwriter one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity, registered in the name of Cede & Co., as nominee of DTC. To the extent that the Paying Agent/Registrar is eligible to participate in DTC's FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5. FORM OF BONDS. The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller to be attached only to the Bonds initially issued and delivered pursuant to this Order, shall be, respectively, substantially in the form provided in **Exhibit A**, with such appropriate variations, omissions, or insertions as are permitted or required by this Order. The Form of Bond as it appears in **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

Section 6. TAX LEVY. (a) A special Interest and Sinking Fund (the "Interest and Sinking Fund") is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and 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 Bonds. All ad valorem taxes levied and collected for and on account of the Bonds, plus accrued interest on the Bonds from the dated date thereof to the Delivery Date, if any, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon are outstanding and unpaid, the governing body of the District 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 Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Bonds as such principal matures; and said tax shall be based on the latest approved tax rolls of the District, with full

allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the District for each year while any of the Bonds or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds as such interest comes due and such principal matures are hereby pledged for such payment, without limit as to rate or amount.

(b) Chapter 1208, Texas Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the District under this Section, and is therefore valid, effective, and perfected. Should State law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being that the pledge of the taxes granted by the District under this Section is to be subject to the filing requirements of Chapter 9, Business and Commerce Code, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business and Commerce Code, and enable a filing of a security interest in said pledge to occur.

Section 7. FACILITIES ALLOTMENT FUNDS; STATE ASSISTANCE FUNDS. (a) In connection with the issuance of the Bonds, the District may receive financial assistance from the Texas Education Agency in accordance with the instructional facilities allotment program established pursuant to Chapter 46, Texas Education Code, as amended (the "Program"). In each fiscal year in which the District receives funding under the Program or any other State funding program which provides a debt service subsidy for the Bonds and, in either case, which requires the District to deposit such debt service subsidy into the Interest and Sinking Fund for the Bonds (such funds being collectively referred to herein as "Debt Subsidy Funds"), the District shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Interest and Sinking Fund for the Bonds created pursuant to Section 6 of this Order. Notwithstanding the requirements of Section 6, if Debt Subsidy Funds are actually on deposit in the Interest and Sinking Fund for the Bonds in advance of the time when ad valorem taxes are scheduled to be levied for any fiscal year, then the amount of ad valorem taxes which otherwise would have been required to be levied pursuant to Section 6 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Interest and Sinking Fund for the Bonds.

(b) To the extent that the District demonstrates to the Attorney General that the District's ability to comply with the requirements of Section 45.0031(a), Texas Education Code, as amended, is contingent on receiving State assistance, the District covenants, to the extent required, and for so long as required, to comply with the provisions of said Section 45.0031(a), and to not set a tax rate for a year until the District has credited to the account of the Interest and Sinking Fund for the Bonds the amounts of State assistance received or to be received in accordance with the terms of said Section 45.0031(a).

Section 8. DEFEASANCE OF BONDS. (a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a "Defeased Bond") within the meaning of this Order, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, 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 the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the "Future Escrow Agreement") for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the District with the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the District will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in subsection 8(a)(i) or (ii) shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the District expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the District also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the District, or deposited as directed in writing by the District. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in subsection 8(a)(i) or (ii). All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the District or deposited as directed in writing by the District.

(c) Unless defined otherwise in the Pricing Certificate, the term "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, retire or otherwise discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds 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.

(e) In the event that the District elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 9. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the registered owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the registered owner applying for a replacement bond shall furnish to the District and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the registered owner shall furnish to the District and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the registered owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

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

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the registered owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the District whether or not the lost, stolen, or destroyed

Bond 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 Bonds duly issued under this Order.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the District or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in this Order for Bonds issued in conversion and exchange for other Bonds.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION OR PERMANENT SCHOOL FUND GUARANTEE PROVISION, IF OBTAINED. The President of the Board is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General and their registration by the Comptroller. Upon registration of the Bonds, the Comptroller (or a deputy designated in writing to act for the Comptroller) shall sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of the Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the District's Bond Counsel and the assigned CUSIP numbers may, at the option of the District, be printed on the Bonds issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the registered owners of the Bonds. If bond insurance is obtained or if the Bonds are guaranteed by the Texas Permanent School Fund, the Bonds may bear an appropriate legend as provided by the insurer or the Texas Education Agency, respectively.

Section 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. (a) Covenants. The District covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the District covenants as follows:

(1) to take any action to assure that no more than 10 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited to a reserve fund, if any) are used for any "private business use," as defined in section 141(b)(6) of the Code or, if more than 10 percent of the proceeds or the projects financed therewith are so used, such amounts, whether or not received by the 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 percent of the debt service on the Bonds, in contravention of section 141(b)(2) of the Code;

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

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

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

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

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

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

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

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

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

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

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

(b) Rebate Fund. In order to facilitate compliance with the above covenant (9), a "Rebate Fund" is hereby established by the District for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

(c) Proceeds. The District understands that the term "proceeds" includes "disposition proceeds" as defined in the Treasury Regulations and, in the case of refunding bonds, transferred proceeds (if any) and proceeds of the refunded bonds expended prior to the date of issuance of the Bonds. It is the understanding of the District that the covenants contained herein are intended to assure compliance with the Code and any regulations or rulings promulgated by the U.S. Department of the Treasury pursuant thereto. In the event that regulations or rulings are hereafter promulgated which modify or expand provisions of the Code, as applicable to the Bonds, the District will not be required to comply with any covenant contained herein to the extent that such failure to comply, in the opinion of nationally recognized bond counsel, will not adversely affect the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In the event that regulations or rulings are hereafter promulgated which impose additional requirements which are applicable to the Bonds, the District agrees to comply with the additional requirements to the extent necessary, in the opinion of nationally recognized bond counsel, to preserve the exemption from federal income taxation of interest on the Bonds under section 103 of the Code. In furtherance of such intention, the District hereby authorizes and directs the President and Vice President of the Board and each Pricing Officer 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 Bonds.

(d) Allocation of, and Limitation on, Expenditures for the Projects. The District covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records in accordance with the requirements of the Code. The District recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the District recognizes that in order for proceeds to be expended under the Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the Delivery Date, or (2) the date the Bonds are retired. The District agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the District shall not be obligated to

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

(e) Disposition of Projects. The District covenants that the property constituting the Projects will not be sold or otherwise disposed in a transaction resulting in the receipt by the District of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the District may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the District shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 12. SALE OF BONDS; OFFICIAL STATEMENT. (a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 3 and pursuant to the terms and provisions of a bond purchase agreement, notice of sale and bidding instructions or private placement agreement (collectively and individually, the "Purchase Contract"), each of which the Pricing Officer is hereby authorized to execute and deliver and in which the Underwriter of the Bonds shall be designated. The Bonds shall initially be registered in the name of the Underwriter or its designee, as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the District, to approve the distribution and delivery of a preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriter in the marketing of the Bonds.

Section 13. FURTHER PROCEDURES; ENGAGEMENT OF BOND COUNSEL; ATTORNEY GENERAL FILING FEE; APPROPRIATION. (a) The President, Vice President and Secretary of the Board and each Pricing Officer 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 corporate seal and on behalf of the District a Blanket Issuer Letter of Representations with DTC regarding the Book-Entry-Only System, a Paying Agent/Registrar Agreement with the Paying Agent/Registrar, the Purchase Contract between the District and the Underwriter, if any, all forms and documents necessary to ensure the interest on the Bonds is exempt from federal income taxation, and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order and the Bonds. In addition, prior to the Delivery Date, the President, Vice President and Secretary of the Board and each Pricing Officer are each hereby authorized and directed to approve any changes or corrections to this Order or to any of the documents authorized and approved by this Order: (i) in order to cure any ambiguity, formal defect or omission in this Order or such other document, or (ii) as requested by the Attorney General or his representative to obtain the approval of the Bonds by the Attorney General. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC's Book-Entry-Only System and to the extent permitted by law, the Blanket Issuer Letter of Representations is hereby incorporated herein and its provisions shall prevail over any other

provisions of this Order in the event of conflict. The President and Secretary of the Board shall sign each Bond, including the initial Bond(s), with their manual or facsimile signatures, and the official seal of the District shall be duly impressed, or placed in facsimile, on each Bond. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the Underwriter to accept delivery of the Bonds is subject to the Underwriter being furnished with the final, approving opinion of McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the District, which opinion shall be dated as of and delivered on the Delivery Date. The engagement of such firm as Bond Counsel to the District in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed.

(c) To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

(d) In accordance with the provisions of Section 1202.004, Texas Government Code, in connection with the submission of the Bonds by the Attorney General for review and approval, a statutory fee (an amount equal to 0.1% principal amount of the Bonds, subject to a minimum of \$750 and a maximum of \$9,500) is required to be paid to the Attorney General upon the submission of the transcript of proceedings for the Bonds. The District hereby authorizes and directs that a check in the amount of the Attorney General filing fee for the Bonds, made payable to the "Texas Attorney General," be promptly furnished to the District's Bond Counsel, for payment to the Attorney General in connection with his review of the Bonds.

Section 14. PERMANENT SCHOOL FUND GUARANTEE PROGRAM. If the Bonds qualify for guarantee by the Permanent School Fund of Texas, the District covenants as follows:

(a) To timely comply with all applicable requirements and procedures under Article VII, Section 5 of the Texas Constitution, Subchapter C of Chapter 45, Texas Education Code and the Rules of the State Board of Education relating to the guarantee of the principal and interest on the Bonds by the Texas Permanent School Fund.

(b) Upon defeasance of such Bonds prior to maturity in accordance with applicable law, the guarantee of the principal and interest on such Bonds by the Texas Permanent School Fund shall cease and no longer be available.

(c) In case of a default in the payment of principal or interest on the Bonds, and in accordance with Section 45.061, Texas Education Code, the Comptroller shall be authorized to withhold from the District amounts equal to the amounts paid by the Permanent School Fund on account of such default, plus interest thereon, from the first state money payable to the District from the following sources and in the following order, to wit: foundation school fund, available school fund.

Section 15. COMPLIANCE WITH RULE 15c2-12. (a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply, unless modified by the Pricing Officer in the Pricing Certificate:

(i) Definitions. As used in this Section, the following terms have the meanings ascribed to such terms below:

"Financial Obligation" means a: (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) a guarantee of the foregoing (a) and (b). The term Financial Obligation does not include any municipal securities as to which a final official statement has been provided to the Municipal Securities Rulemaking Board consistent with the Rule.

"MSRB" means the Municipal Securities Rulemaking Board or any successor to its functions under the Rule.

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

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

(ii) Annual Reports. (A) The District shall provide annually to the MSRB, within the timeframe set forth in the Pricing Certificate, in the electronic format prescribed by the MSRB, certain updated financial information and operating data pertaining to the District, being the information described in the Pricing Certificate.

(B) Any financial information described in the Pricing Certificate to be provided shall be (i) prepared in accordance with the accounting principles described in the financial statements of the District appended to the Official Statement, or such other accounting principles as the District may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not completed within the period set forth in the Pricing Certificate, then the District shall provide unaudited financial information of the type described in the Pricing Certificate within such period, and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements becomes available.

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

(D) All financial information, operating data, financial statements and notices required by this Section to be provided to the MSRB shall be provided in an electronic format and be accompanied by identifying information prescribed by the MSRB. Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public on the MSRB's Internet Web site or filed with the SEC.

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

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the District;
- (13) The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; and
- (14) Appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (15) Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the District in possession but subject to the supervision and orders of a court or governmental

authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District, and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section to have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

(iv) Limitations, Disclaimers and Amendments. (A) The District shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the District remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the District in any event will give notice of any deposit made in accordance with this Order or applicable law that causes the Bonds no longer to be outstanding.

(B) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The District undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the District's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The District does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

(D) No default by the District in observing or performing its obligations under this Section shall comprise a breach of or default under the Order for purposes of any other provision of this Order. Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the District under federal and state securities laws.

(E) The provisions of this Section may be amended by the District from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or

sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the District (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the District so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (b) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

(b) If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the Underwriter as may be necessary for the sale of the Bonds on the most favorable terms to the District.

Section 16. METHOD OF AMENDMENT. The District hereby reserves the right to amend this Order subject to the following terms and conditions, to-wit:

(a) The District may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Order to (i) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Order and that shall not materially adversely affect the interests of the Registered Owners, (iv) qualify this Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Order as shall not be materially inconsistent with the provisions of this Order and that shall not, in the opinion of nationally-recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, the Registered Owners of a majority of the aggregate principal amount of then outstanding Bonds that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the District; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Bonds so as to:

(1) make any change in the maturity of any of the outstanding Bonds;

- (2) reduce the rate of interest borne by any of the outstanding Bonds;
- (3) reduce the amount of the principal of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) modify the terms of payment of principal or of interest or redemption premium on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the District shall desire to amend this Order under this Section, the District shall send by U.S. mail to each registered owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the District shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the District may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Order pursuant to the provisions of this Section, this Order shall be deemed to be modified and amended in accordance with such amendatory Order, and the respective rights, duties, and obligations of the District and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of such consent and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the District, but such revocation shall not be effective if the Registered Owners the required amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

(g) For the purposes of establishing ownership of the Bonds, the District shall rely solely upon the registration of the ownership of such Bonds on the Registration Books kept by the Paying Agent/Registrar.

Section 17. INTEREST EARNINGS ON BOND PROCEEDS; USE OF PREMIUM RECEIVED FROM SALE OF BONDS. (a) Interest Earnings. Interest earnings derived from the proceeds that are deposited to the Construction Fund (defined below) shall be retained therein and used for the purposes for which the Bonds were issued, provided that after the completion of

such purposes, any amounts remaining therein shall be deposited to the Interest and Sinking Fund for the Bonds. It is further provided, however, that any interest earnings on bond proceeds that are required to be rebated to the United States of America pursuant to this Order in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for purposes of this Section.

(b) Use of Bond Premium. The net premium received from the sale of the Bonds shall be applied as determined by the Pricing Officer in the Pricing Certificate.

(c) Establishment of Construction Fund.

(i) The District hereby creates and establishes and shall maintain on the books of the District a separate fund to be entitled the "Series 2023 Bonds Construction Fund" (the "Construction Fund") for use by the District for payment of all lawful costs associated with the Projects. Proceeds of the Bonds in the amount determined by the Pricing Officer in the Pricing Certificate shall be deposited into the Construction Fund. In addition, the amount to be applied against each bond proposition shall be determined by the Pricing Officer in the Pricing Certificate, and the table in the preambles hereto shall be reproduced in the Pricing Certificate to reflect such determination. Upon payment of all project costs, any moneys remaining on deposit in the Construction Fund shall be transferred to the Interest and Sinking Fund. Amounts so deposited to the Interest and Sinking Fund shall be used in the manner described in this Order.

(ii) The District may place proceeds of the Bonds (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the District hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the Projects.

(iii) All deposits authorized or required by this Order shall be secured to the fullest extent required by law for the security of public funds.

Section 18. GOVERNING LAW. This Order shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 19. SEVERABILITY. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

Section 20. INVESTMENTS; SECURITY FOR FUNDS. (a) Investment Earnings. Interest earnings derived from the investment of proceeds from the sale of the Bonds issued for the purposes described in subsection (a) of this Section shall be used for the purposes for which such Bonds are issued as set forth in Section 1 hereof; provided that after completion of such purposes, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest

earnings on bond proceeds which are required to be rebated to the United States of America pursuant to this Order in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

(b) Authorized Investments. The District may place proceeds of the Bonds issued for the purposes described in subsection (a) of this Section (including investment earnings thereon) and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the District hereby covenants that the proceeds of the sale of such Bonds will be used as soon as practicable for the purposes for which such Bonds are issued.

(c) Security for Funds. All deposits authorized or required by this Order shall be secured to the fullest extent required by law for the security of public funds.

Section 21. **EVENTS OF DEFAULT**. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an event of default (an "Event of Default"):

- (i) the failure to make payment of the principal of or interest on any of the Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the District, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the District.

Section 22. **REMEDIES FOR DEFAULT**. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the District for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 23. **REMEDIES NOT EXCLUSIVE**. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order.

(b) The exercise of any remedy herein conferred or reserved shall not be deemed a waiver of any other available remedy.

(c) By accepting the delivery of a Bond authorized under this Order, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the District or the Board.

Exhibit A

FORM OF BOND

(a) The form of the Bond, including the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached only to the Bonds initially issued and delivered pursuant to this Order, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Order and with the Bonds to be completed with information set forth in the Pricing Certificate. The Form of Bond as it appears in this **Exhibit A** shall be completed, amended and modified by Bond Counsel to incorporate the information set forth in the Pricing Certificate, but it is not required for the Form of Bond to be reproduced as an exhibit to the Pricing Certificate.

NO. R-__	UNITED STATES OF AMERICA STATE OF TEXAS ALEDO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BOND, SERIES 2023	PRINCIPAL AMOUNT \$_____
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INTEREST <u>RATE</u> _____%	DELIVERY <u>DATE</u> _____, 2023	MATURITY <u>DATE</u> [February 15], 20__	<u>CUSIP NO.</u>
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REGISTERED OWNER:

PRINCIPAL AMOUNT:

ON THE MATURITY DATE specified above, ALEDO INDEPENDENT SCHOOL DISTRICT, in Parker and Tarrant Counties, Texas (the "District"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "registered owner") the principal amount set forth above, and to pay interest thereon from the [Delivery Date], on [February 15, 2024, and semiannually thereafter on each August 15 and February 15] to the maturity date specified above, or the date of redemption prior to maturity, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity, or upon the date fixed for its redemption prior to maturity, at the designated corporate trust office of [The Bank of New York Mellon Trust Company, N.A., Dallas, Texas], which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the registered owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the District required by the order authorizing the issuance of the Bonds (the "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the registered owner hereof, at its address as it appeared on the [last business] day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the registered owner. 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 interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 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 each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due on this Bond shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The District covenants with the registered owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is dated as of _____, 20___, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$___ for the (i) construction, renovation, acquisition and equipment of school facilities in the District (including, but not limited to, improvements to enhance safety and security), including the acquisition of land

therefor and the acquisition of new school buses, and (ii) payment of the costs incurred in connection with the issuance of the Bonds.

ON [FEBRUARY 15, 20__], OR ON ANY DATE THEREAFTER, the Bonds may be redeemed prior to their scheduled maturity, at the option of the District, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the District (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount of the Bonds to be redeemed, plus accrued interest to the date fixed for redemption.

IN ADDITION TO THE FOREGOING OPTIONAL REDEMPTION, THE BONDS scheduled to mature on [February 15] in each of the years 20__ and 20__ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond Maturity: [February 15], 20__		Term Bond Maturity: [February 15], 20__	
<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>	<u>Mandatory Redemption Date</u>	<u>Principal Amount</u>
[February 15], 20__		[February 15], 20__	
[February 15], 20__		[February 15], 20__	
[February 15], 20__		[February 15], 20__	
[February 15], 20__		[February 15], 20__	
[February 15], 20__*		[February 15], 20__*	

* Stated maturity.

The principal amount of Term Bonds required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bonds which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

WITH RESPECT TO ANY OPTIONAL REDEMPTION OF THE BONDS, unless certain prerequisites to such redemption required by the Bond Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed

shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice may state that said redemption may, at the option of the District, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the day of mailing such notice and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner 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 Bond. 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 Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof 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 not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the District, all as provided in the Bond Order.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of any integral multiple of \$5,000. As provided in the Bond Order, this Bond may, at the request of the registered owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate registered owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate registered owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to

be registered. The form of Assignment printed or endorsed on this Bond may be executed by the registered owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the registered owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the District. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange of Bonds during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or, with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

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

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a general obligation of the District, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the District, and have been pledged for such payment, without legal limit as to rate or amount.

THE DISTRICT ALSO HAS RESERVED THE RIGHT to amend the Bond Order as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the registered owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the registered owner of this Bond, the registered owner thereby acknowledges all of the terms and provisions of the Bond Order, agrees to be bound by such terms and provisions, acknowledges that the Bond Order is duly recorded and available for inspection in the official minutes and records of the governing body of the District, and agrees that the terms and provisions of this Bond and the Bond Order constitute a contract between each registered owner hereof and the District.

IN WITNESS WHEREOF, the District has caused this Bond to be 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 of

the District, and has caused the official seal of the District to be duly impressed, or placed in facsimile, on this Bond.

Secretary, Board of Trustees
Aledo Independent School District

President, Board of Trustees
Aledo Independent School District

(District Seal)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE

(To be executed if this Bond is not accompanied by an
executed Registration Certificate of the Comptroller
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Bond Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series 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.

Dated:

[THE BANK OF NEW YORK MELLON
TRUST COMPANY, N.A.,
Dallas, Texas]
Paying Agent/Registrar

By: _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT

(Please print or type clearly)

For value received, the undersigned hereby sells, assigns and transfers unto: _____

Transferee's Social Security or Taxpayer Identification Number: _____

Transferee's name and address, including zip code: _____

the within Bond and all rights thereunder, and hereby irrevocably constitutes and appoints _____

_____, attorney, to register the transfer of the within Bond 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 an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER'S REGISTRATION CERTIFICATE: REGISTER NO. _____

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

Witness my signature and seal this _____.

Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER'S SEAL)

(e) Insertions for the Initial Bond.

(i) The initial Bond shall be in the form set forth in paragraph (a) of this Section, except that:

(A) immediately under the name of the Bond, the headings "INTEREST RATE" and "MATURITY DATE" shall both be completed with the words "As shown below" and "CUSIP NO. _____" shall be deleted.

(B) the first paragraph shall be deleted and the following will be inserted:

"ALEDO INDEPENDENT SCHOOL DISTRICT (the "District"), being a political subdivision located in Parker and Tarrant Counties, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered

Owner"), on [February 15] in each of the years, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

<u>Maturity</u> <u>Date</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		
2035		
2036		
2037		
2038		
2039		
2040		
2041		
2042		
2043		
2044		
2045		
2046		
2047		
2048		
2049		
2050		
2051		
2052		
2053		

The District promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the [Delivery Date] at the respective Interest Rate per annum specified above. Interest is payable on [February 15, 2024, and semiannually thereafter on each August 15 and February 15] to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; except, that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided,

however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full."

(C) The initial Bond shall be numbered "T-1."