

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE BROWNWOOD INDEPENDENT SCHOOL DISTRICT PROVIDING FOR THE DEFEASANCE AND CALLING FOR REDEMPTION CERTAIN CURRENTLY OUTSTANDING OBLIGATIONS DESIGNATED AS “BROWNWOOD INDEPENDENT SCHOOL DISTRICT RATE UNLIMITED TAX REFUNDING BONDS, SERIES 2014”; DIRECTING THE BOARD SECRETARY, OR A DESIGNEE THEREOF, TO EFFECTUATE THE REDEMPTION OF THESE OBLIGATIONS; AUTHORIZING THE EXECUTION OF AN ESCROW AGREEMENT; DELEGATING TO CERTAIN DISTRICT OFFICIALS AND STAFF THE AUTHORITY TO EFFECTUATE MATTERS HEREIN RESOLVED; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board previously adopted an order (the *2014 Order*) on October 13, 2014 authorizing the issuance of obligations designated as “Brownwood Independent School District Unlimited Tax School Refunding Bonds, Series 2014”, dated November 15, 2014, in the original principal amount of \$26,000,000 (the *2014 Obligations*); and

WHEREAS, the 2014 Obligations are currently outstanding in the principal amount of \$15,455,000 and mature on February 15 in each of the years 2023 through 2030; and

WHEREAS, the 2014 Obligations maturing on and after February 15, 2025 are subject to redemption, at the District’s option, on February 15, 2024 or any date thereafter; and

WHEREAS, the 2014 Order provides the notice requirements to effectuate the redemption of the 2014 Obligations that are subject to redemption prior to their applicable Stated Maturity; and

WHEREAS, it is in the best interest of the District its residents to defease certain of the 2014 Obligations, extinguishing the District’s payment obligations with respect thereto at the time of defeasance, and calling certain of the 2014 Obligations on their first optional redemption date, all as herein provided; now, therefore,

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

SECTION 1. The Board hereby authorizes an Authorized Official (defined herein) to use District funds realized from prior interest and sinking fund tax collections or any other lawfully available source (the *Defeasance Proceeds*), in an amount necessary and sufficient to defease to their February 15, 2024 date of early redemption 2014 Obligations in the principal amount not to exceed the amount outstanding and further determined by a hereinafter-identified Authorized Official (such identified 2014 Obligations, the *Defeased Obligations*). An Authorized Official shall accomplish the defeasance of the Defeased Obligations by establishing and funding with Defeasance Proceeds prior to the end of the District’s 2022-2023 fiscal year the hereinafter-defined Escrow Fund pursuant to the provisions of Section 3 hereof. Notwithstanding the foregoing, an Authorized Official shall make a final determination as to the principal amount of the Defeased Obligations after taking into account available District funds from the sources identified above, interest earnings on Escrow Fund deposits, and final costs related to establishment of the Escrow Fund, with the goal of maximizing the principal amount of the Defeased Obligations.

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

SECTION 3. Any Escrow and Trust Agreement, dated as of August 25, 2022 (the *Agreement*), by and between the District and the Escrow Agent and relating to the Defeased Obligations and attached hereto as Exhibit B and incorporated herein by reference as a part of this Resolution for all purposes, is hereby approved as to form and content, and such Agreement, together with such changes or revisions as may be necessary to accomplish the defeasance of the Defeased Obligations or benefit the District, is hereby authorized to be executed by an Authorized Official, for and on behalf of the District and as the act and deed of this Board; and such Agreement as executed by said Authorized Official shall be deemed approved by the Board and constitute the Agreement herein approved.

Furthermore, each Authorized Official, the District's Financial Advisor, and the District's Bond Counsel, in cooperation with the Escrow Agent, are hereby authorized and directed to make the necessary arrangements for the deposit of cash and/or the purchase of any securities referenced in the Agreement and the delivery thereof to the Escrow Agent upon delivery to the Escrow Agent of the Defeasance Proceeds for deposit to the credit of the "BROWNWOOD INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2014 (2023 DEFEASANCE) ESCROW FUND" (the *Escrow Fund*), including the execution of the subscription forms, if any, for the purchase and issuance of the "United States Treasury Securities - State and Local Government Series" for deposit to the Escrow Fund; all as contemplated and provided by the provisions of Chapter 1207, as amended, Texas Government Code, this Resolution, and the Agreement.

SECTION 4. The President and Secretary of the Board are authorized and instructed to give notice of redemption described herein to the paying agent/registrar for the Defeased Obligations for further delivery thereby to the holders of such Defeased Obligations, as provided in the 2014 Order.

SECTION 5. The Board hereby appoints any qualified verification agent (the *Verification Agent*), if necessary or desired, to verify the sufficiency of the deposit to the Escrow Fund to accomplish the defeasance of the Defeased Obligations, to the extent such appointment is necessary or desired.

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

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

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

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

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

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

SECTION 12. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 13. Though such parties may be identified, and the entry into a particular form of contract may be authorized herein, the Board hereby delegates to the Board President, Board Vice President, Board Secretary, Superintendent of Schools, and the District's Assistant Superintendent of Business and Finance (each of the foregoing, an *Authorized Official*) the authority to independently select the counterparty to any agreement with the Escrow Agent, Verification Agent or any other contract that is determined by an Authorized Official, the District's Financial Advisor, or Bond Counsel to be necessary or incidental to carry out the provisions of this Resolution, as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Bond Contracts*); and, as necessary, to execute the Ancillary Bond Contracts on behalf and as the act and deed of the District. The Board has not participated in the selection of any of the business entities which are counterparties to the Ancillary Bond Contracts.

SECTION 14. Capitalized terms used but not otherwise defined herein shall have the same meanings as set forth in the 2014 Order.

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

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PASSED AND APPROVED, this the 25th day of August, 2022.

BROWNWOOD INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

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EXHIBIT A

NOTICE OF REDEMPTION

See Tab No. __

EXHIBIT B

ESCROW AGREEMENT

See Tab No. __