

Board Information Item

Information
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Board Agenda
Information

Board Agenda
Action

Board Agenda
Consent

12/16/2024

Subject:

Discuss and consider adoption of an Order Authorizing the Issuance of Grapevine-Colleyville Independent School District Unlimited Tax School Building Bonds, Series 2025; Appointing a Pricing Officer and Delegating to the Pricing Officer the Authority to approve on behalf of the District the Sale of the Bonds, the terms of the Bonds and the Offering Documents for the Bonds; Establishing Certain Parameters for the Approval of such matters by the Pricing Officer; Approving the use of a Paying Agent/Registrar Agreement; Levying an Annual Ad Valorem Tax for the Payment of the Bonds; and Enacting Other Provisions relating to the Subject.

Contact Person:

Derick Sibley, Chief Financial Officer

Policy/Code:

CH(LEGAL), CH(LOCAL), and CCA(LOCAL)

**Priority and
Performance
Objective:**

Priority 4: Strong Financial Stewardship and Internal System Efficiency
Objective 4.1: Transparent Financial Stewardship

Summary:

In May 2024, voters in Grapevine-Colleyville ISD authorized the District to secure financing through the issuance of \$150,000,000 in bonds. Pursuant to Board Policy CCA(LOCAL), the Chief Financial Officer, in collaboration with the District's bond financial advisor and bond counsel, is responsible for evaluating the appropriate amount of voter-approved bonds for recommendation to the Board for sale or issuance. The recommended amount must align with the financing needs for bond projects, acquisitions, and purchases that are expected to be completed within three years of issuance. In compliance with this policy, the administration has determined that the \$150,000,000 in bonds will be issued in three separate sales. The administration recommends initiating the first

sale with an amount of \$59,235,000.

Under the terms of Chapter 1371 of the Texas Government Code, the Board may approve the issuance of the bonds and appoint one or more representatives as the "Pricing Officer" for the purpose of approving the sale of the Bonds.

The order to be considered by the Board includes certain parameters which must be obtained in order for the Pricing Officer to act to sell the bonds. Section 3 of the attached order has such parameters.

The parameters that must be met are as follows:

1. The aggregate original principal amount of Bonds shall not exceed \$59,235,000.
2. The final maturity of the Bonds shall not exceed August 15, 2049.
3. The maximum interest rate shall not exceed the highest rate permitted by Chapter 1204, Texas Government Code.
4. The "all-in" true interest cost shall not exceed 4.5%.
5. The sale must be completed prior to December 15, 2025 (i.e., one year).

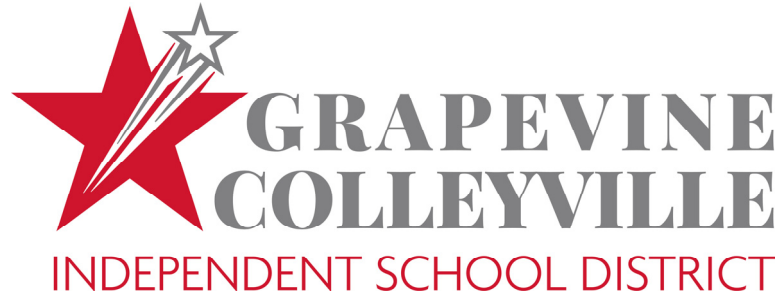
By authorizing a 'Parameter Order', the District may go to the market at a date that is favorable rather than going to market on a date that coordinates with a monthly Board meeting date or calling a special Board meeting to approve the sale. This Order would delegate final pricing authority to the Superintendent and/or CFO so long as the interest rate, maturity and maximum principal threshold established by the Board are met.

Attachments:

Review of Preliminary Financing Plan Presentation
Legal documents establishing Parameter Order

Recommendation:

The recommendation is for the Board of Trustees to approve the Order authorizing the issuance and sale of \$59,235,000 in bonds.



Review of Preliminary Financing Plan – Initial Bond Sale from \$150,000,000 2024 Bond Program

Monday, December 16, 2024



Congratulations Grapevine-Colleyville ISD Community!

GRAPEVINE-COLLEYVILLE ISD

BOND



ELECTION | MAY 4, 2024

May 4, 2024 Bond Election Results:

Proposition A: 7,253 Votes For (61.82%) | 4,480 Votes Against

Proposition B: 7,372 Votes For (62.91%) | 4,346 Votes Against

Proposition C: 7,048 Votes For (60.18%) | 4,664 Votes Against



Savings from District's Debt Management Practices

- ❑ Grapevine-Colleyville Independent School District (“GCISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided District taxpayers with more than \$125.9 million of direct savings since year 2005!
 - ❖ \$ 65,252,840 – Bond Refundings
 - ❖ \$ 47,171,871 – Prepayment of Bonds
 - ❖ \$ 13,500,667 – Lower Interest Rates from Prudent Use of Variable Rate Bonds
- \$125,925,378 – Total Savings to Taxpayers**



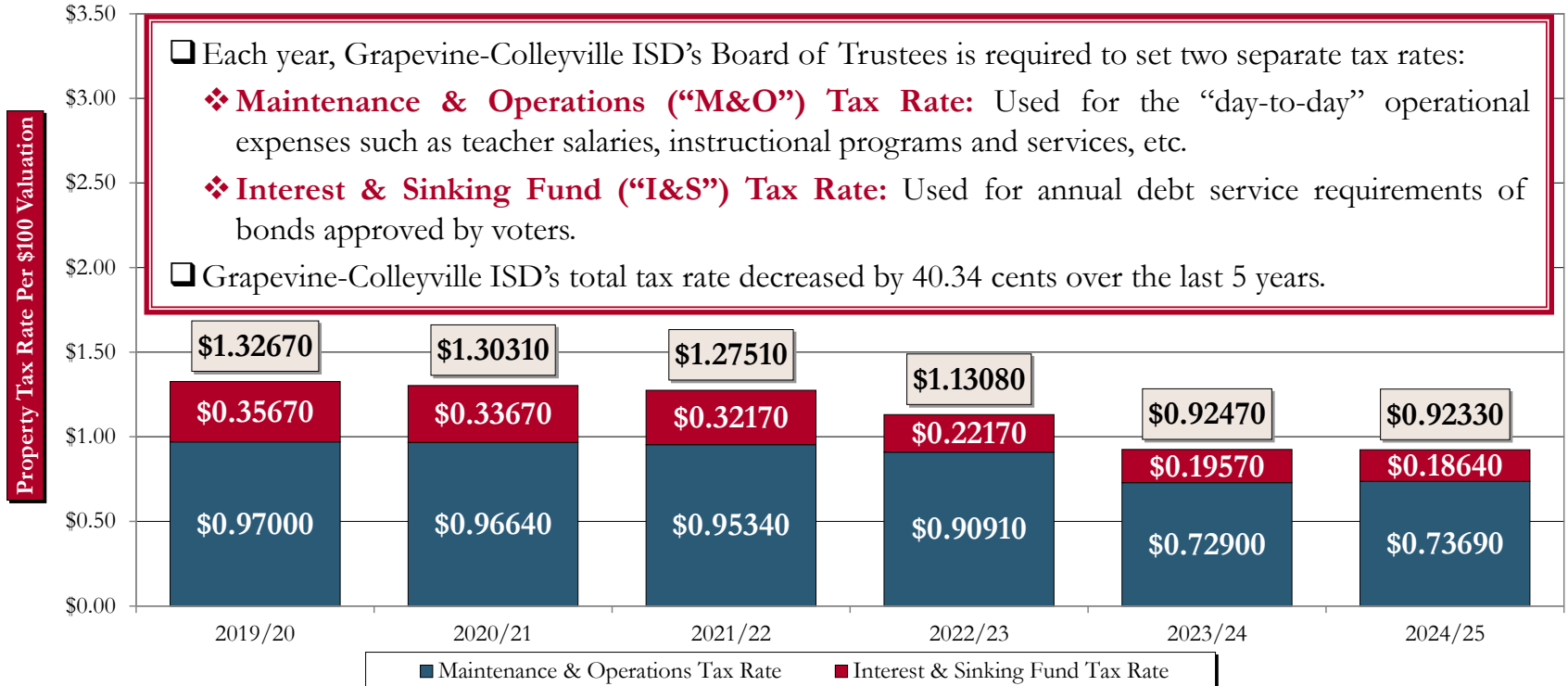
Savings from District's Debt Management Practices (Continued)

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 2005	1994, 1995	\$ 55,295,000	\$ 5,258,073
Unlimited Tax Refunding Bonds, Series 2006	1998	51,160,000	2,361,979
Unlimited Tax School Building & Refunding Bonds, Series 2011	1998	7,965,000	1,406,606
Unlimited Tax Refunding Bonds, Series 2012-A	2007	37,980,000	11,107,500
Unlimited Tax Refunding Bonds, Series 2013-A	2005	16,750,000	2,131,035
Unlimited Tax Refunding Bonds, Series 2013-B	2005-A	51,240,000	7,800,523
Unlimited Tax Refunding Bonds, Series 2015	2005	33,675,000	4,954,988
Unlimited Tax Refunding Bonds, Series 2016	2006	50,322,451	14,647,747
Unlimited Tax Refunding Bonds, Series 2021-A	2011	48,880,000	12,507,388
Unlimited Tax Refunding Bonds, Series 2021-B	2012-A	19,305,000	3,077,001
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 372,572,451	\$ 65,252,840
Prepayment of Series 1998 Bonds - February 2008	1998	\$ 5,000,000	\$ 5,106,250
Prepayment of Series 1998 Bonds - April 2009	1998	1,500,000	1,525,000
Prepayment of Series 1998 Bonds - February 2010	1998	5,000,000	4,627,000
Prepayment of Series 2005-A Bonds - August 2015	2005-A	1,830,000	881,608
Prepayment of Series 2012-B Bonds - August 2017	2012-B	10,000,000	7,242,425
Prepayment of Series 2012-B Bonds - February 2019	2012-B	10,520,000	5,246,838
Prepayment of Series 2011 Bonds - February 2020	2011	13,620,000	9,842,000
Prepayment of Series 2011 Bonds - February 2021	2011	8,775,000	5,542,000
Prepayment of Series 2011 Bonds - February 2022	2011	10,650,000	5,584,250
Prepayment of Series 2013-B Bonds - February 2023	2013-B	6,835,000	1,574,500
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 73,730,000	\$ 47,171,871
Totals	---	\$ 446,302,451	\$ 112,424,711



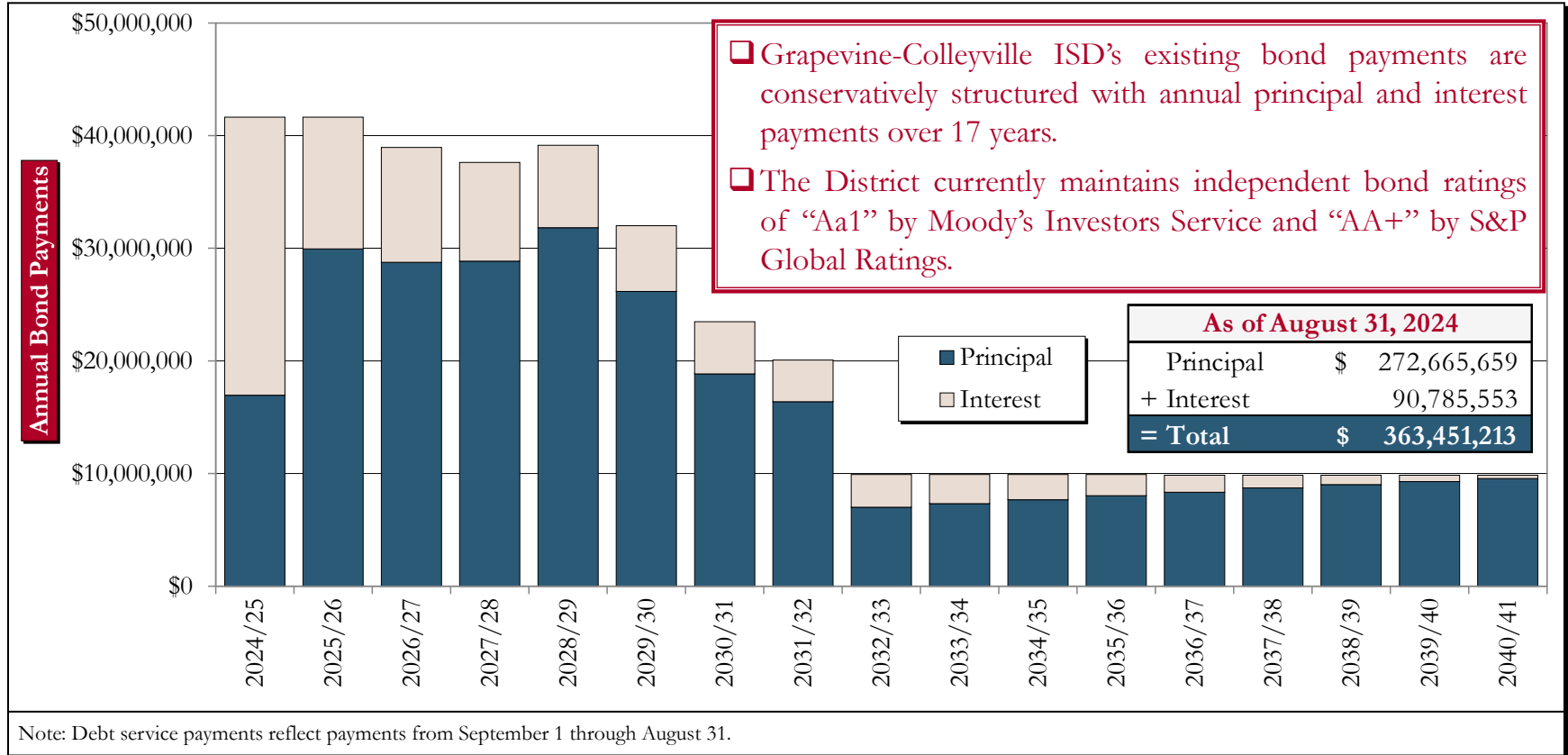
Historical Tax Rates

Grapevine-Colleyville Independent School District's Historical Tax Rates





Dollar Amount and Structure of District's Existing Bonds





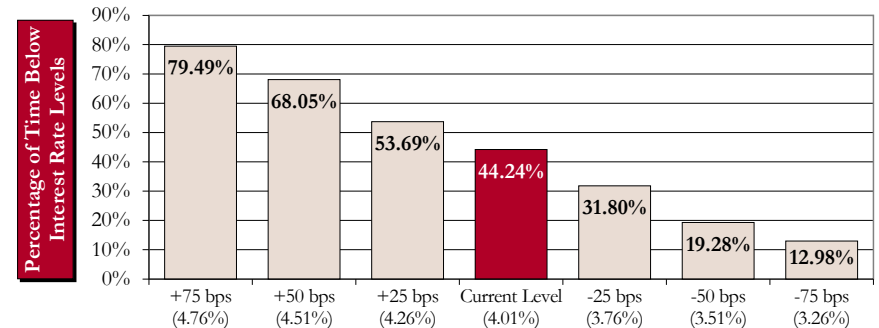
Municipal Market Overview

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

- The Bond Buyer 20-Bond Index has dropped from its recent climb that resulted from better-than-expected economic news and the November 2024 election results, with the current index level now 0.08% 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 44.24% of the time and, as such, interest rates have been higher 55.76% of the time.





Goals of Financing Plan – 2024 Bond Program

- Meet or exceed expectations of taxpayers – Fully implement the 2024 Bond Program within the projected cost communicated to voters at the time of the May 4, 2024 bond election;
 - Pursuant to the voter education material used for the May 2024 bond election, there will be no I&S tax rate increase associated with the 2024 Bond Program – Current I&S tax rate of 18.64 cents will not be exceeded.
- Maximize the District’s future bond capacity for capital improvements;
- Maintain a bond repayment period of 25 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”).



Preliminary Financing Plan – 2024 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 Grapevine-Colleyville ISD will correspondingly change.

□ Preliminary Financing Plan

- Grapevine-Colleyville ISD issues \$59,235,000 of bonds from the 2024 Bond Program (the “Series 2025 Bonds”) in February 2025 utilizing fixed rates of interest.
- After the issuance of the Series 2025 Bonds, GCISD will have \$90,765,000 of bonds remaining to be sold from the 2024 Bond Program.
- The timing of future bond sales will be based upon the District's future taxable values and capital needs within the District and such anticipated sales are summarized below:
 - February 2026: \$64,300,000 (the “Series 2026 Bonds”); and
 - February 2027: \$26,465,000 (the “Series 2027 Bonds”).



Preliminary Financing Plan – 2024 Bond Program

□ Assumptions

- **Tax Rate Impact:** The 2024 Bond Program will be implemented without an I&S tax rate increase.
- **Interest Rate:** Bonds issued pursuant to the 2024 Bond Program will be sold as follows:
 - Series 2025 Bonds: Current market rates (as of December 12, 2024) plus 0.25%; and
 - Series 2026 and Series 2027 Bonds: 5.00%.
- **Bond Repayment:** The Series 2025 Bonds will initially be structured with annual principal payments over the next 24 years (i.e. final maturity of August 15, 2049). However, Grapevine-Colleyville ISD will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- **Bond Insurance:** GCISD receives the Permanent School Fund Guarantee on the Series 2025 Bonds – An application has been filed, but the results will not be known until Thursday, January 23, 2025.
- **State Funding Assistance:** Grapevine-Colleyville ISD **WILL NOT** receive any State assistance from the IFA or EDA Programs for the repayment of bonds. However, GCISD **WILL** receive Additional State Aid for Homestead Exemption (“ASAHE”) funding for the repayment of bonds. For purposes of this analysis, the District will receive 50% of the calculated ASAHE funding during years 2025/26 – 2040/41 (i.e., the repayment period of eligible debt).



Preliminary Financing Plan – 2024 Bond Program

❑ Assumptions (Continued)

■ Other Available Revenues:

- Grapevine-Colleyville ISD will annually have \$3,398,122 of “Other Available Revenues” available for bond payments, which consists of frozen I&S Fund tax collections (\$3,121,122), interest earnings on I&S tax collections (\$100,000), delinquent I&S tax collections (\$200,000), and less estimated annual bond fees of \$23,000.
- During years 2024/25 through 2030/31, the District will receive certain revenues from the City of Grapevine Tax Increment Reinvestment Zone #2 to help subsidize the I&S tax rate.

- **Use of I&S Fund Balance:** Grapevine-Colleyville ISD uses \$24,887,098 of its Interest & Sinking Fund balance (i.e., \$22 million of existing balance plus an estimated surplus of \$2,887,098 in year 2024/25) in years 2025/26 – 2029/30 to subsidize the I&S tax rate and to mitigate the cost of the 2024 Bond Program.

- **Tax Collections:** Assumes a tax collection rate of 98.6%.



Preliminary Financing Plan – 2024 Bond Program

Assumptions (Continued)

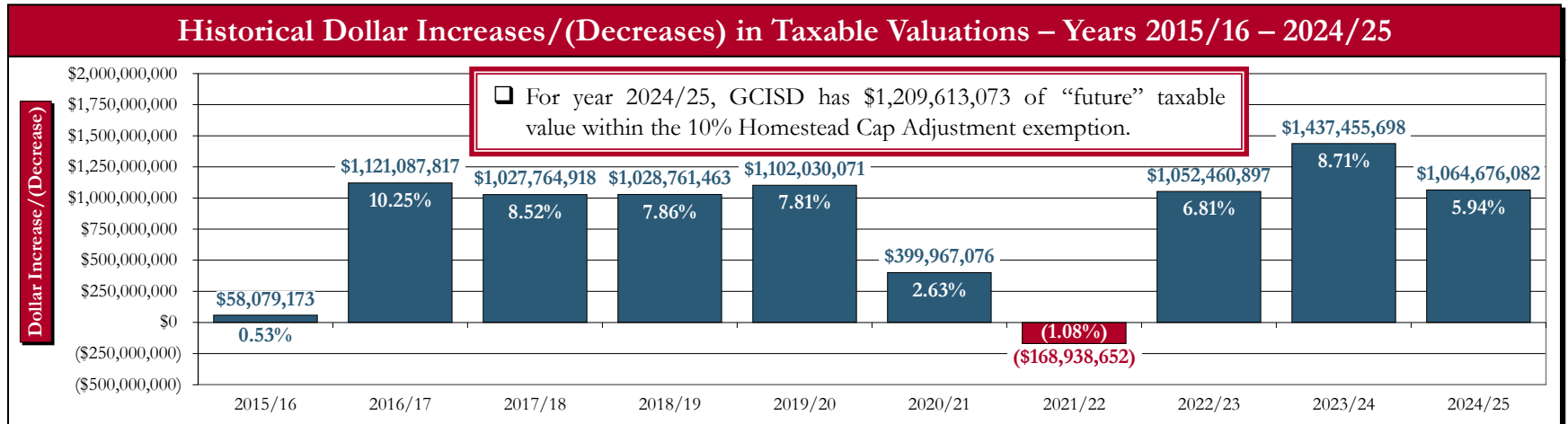
- Short-Term Projects:** Fully repay bonds issued for short-term projects over their useful lives. As summarized below, GCISD has identified an estimated \$37,574,002 of projects within the 2024 Bond Program that would be considered short-term.

Description	2025	2026	2027	Total
<i>Useful life of less than 5 years</i>				
Uniforms (band, choir, dance)	\$ 270,695	\$ 270,695	\$ 58,610	\$ 600,000
Small grounds equipment	331,733	331,733	331,733	995,199
Custodial Equipment	187,238	187,238	187,238	561,713
AEDs & Stop the Bleed Kits	105,906	-	-	105,906
Assistive Technology for SPED students	212,900	-	-	212,900
Video displays for emergency management in campus offices	24,051	-	-	24,051
Kiosk check-in computers & printers for emergency management	62,656	-	-	62,656
Technology Devices (Prop A)	5,234,542	9,464,049	2,877,305	17,575,896
Technology Devices (Prop B)	3,266,404	3,291,205	2,905,000	9,462,609
Totals	\$ 9,696,125	\$ 13,544,920	\$ 6,359,886	\$ 29,600,930
<i>Useful life of less than 10 years</i>				
Bus GPS System & Software License & RFID System & License	\$ -	\$ -	\$ 3,237,119	\$ 3,237,119
Servers for Security Cameras	-	1,208,518	-	1,208,518
Totals	\$ -	\$ 1,208,518	\$ 3,237,119	\$ 4,445,637
<i>Useful life of less than 15 years</i>				
School Buses	\$ 687,990	\$ 687,990	\$ 687,990	\$ 2,063,970
Mowers	221,155	221,155	221,155	663,466
Band Instruments	166,667	166,667	166,667	500,000
Walkie-Talkies (Handheld Radios)	100,000	100,000	100,000	299,999
Totals	\$ 1,175,812	\$ 1,175,812	\$ 1,175,812	\$ 3,527,435
Total Short-Term Assets	\$ 10,871,936	\$ 15,929,249	\$ 10,772,816	\$ 37,574,002



District's Historical Taxable Assessed Valuation

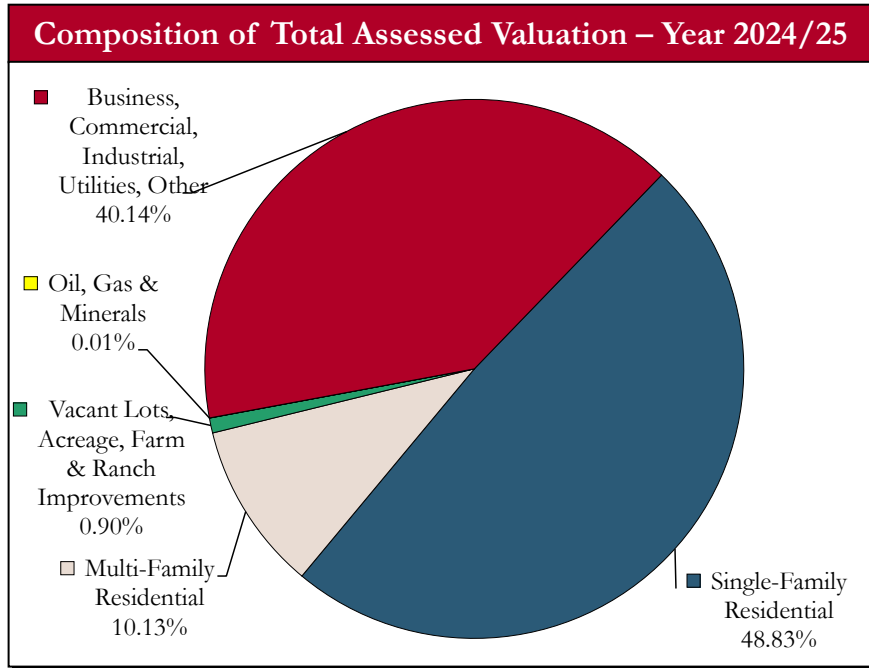
- ❑ The value of Grapevine-Colleyville ISD's tax base is the primary factor impacting GCISD's tax rate and bond capacity, as this determines the annual revenues generated for the repayment of debt.
- ❑ GCISD's taxable assessed valuation (net of frozen values) is \$19,000,092,351 for fiscal year 2024/25.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Average tax base increase last 10 years: \$812,334,454 or 5.74%; and
 - Average tax base increase last 5 years: \$757,124,220 or 4.54%.



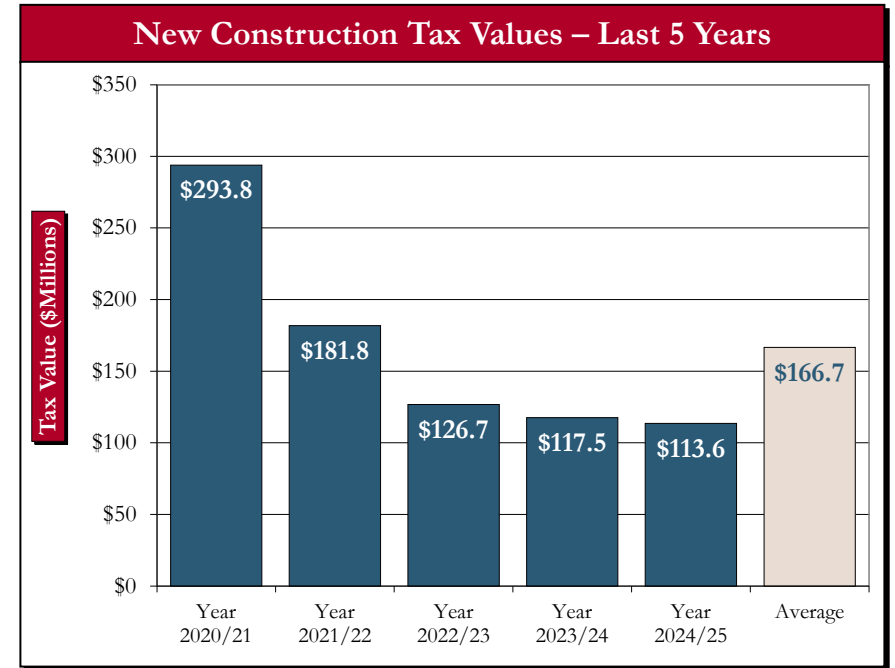


Composition of the District's Tax Base and New Construction Tax Values

- ❑ For year 2024/25, Single-Family Residential properties comprise 48.83% of GCISD's total assessed valuation, while Business, Commercial, Industrial and Utility properties comprise 40.14%.



- ❑ On average, Grapevine-Colleyville ISD's tax base has annually increased by \$166.7 million over the last 5 years as a result of “new construction” within the District.





Preliminary Financing Plan – 2024 Bond Program

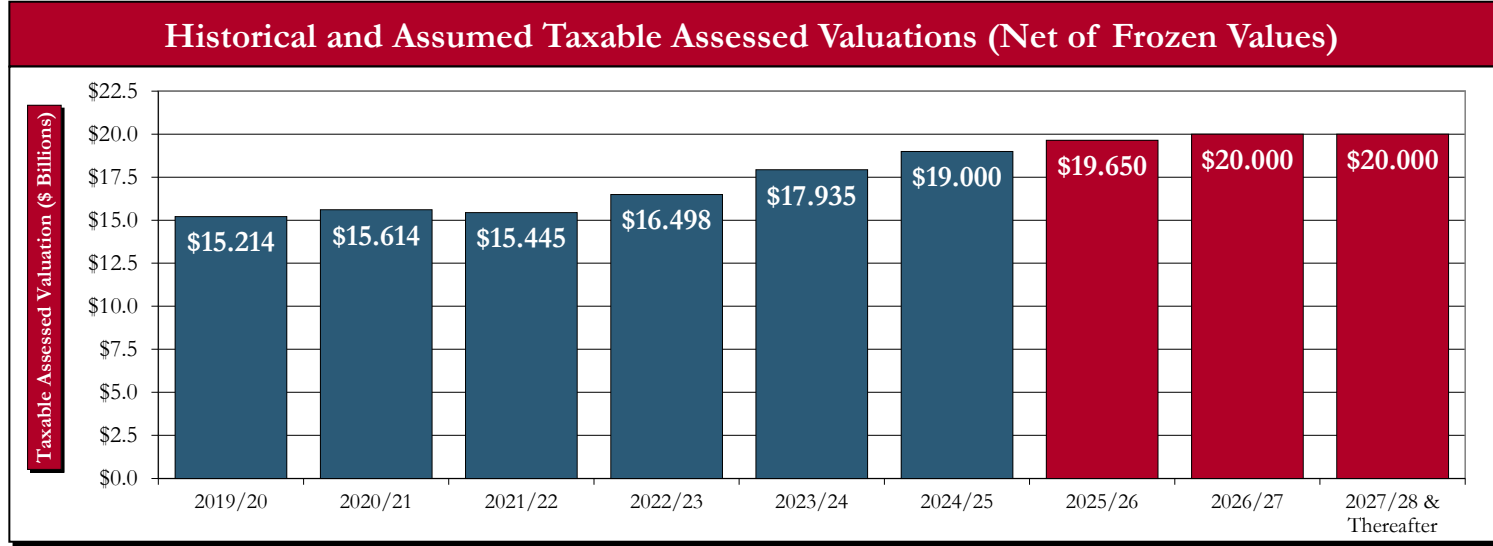
Assumptions (Continued)

- Taxable Value Growth:** At its meeting on August 9, 2024, Tarrant Appraisal District (“TAD”) Board of Directors approved a new reappraisal plan to appraise residential values every other year, instead of annually, with appraisals occurring in odd-numbered years beginning in tax year 2027 (i.e., year 2027/28). All other property types will be reappraised annually. The reappraisal plan will hold residential values for the 2025 tax year at 2024 levels, **except for new construction, improvements and value coming out of the 10% Homestead Cap Adjustment exemption.**
- Based upon certain information provided by TAD and an estimate of future “new” construction growth within GCISD, the following summarizes the projected taxable value growth within the District over the next two years.

Year	Taxable Value From 10% Homestead Cap Adjustment	Future “New” Construction Taxable Value	Total Estimated Taxable Value Growth
2025/26	\$ 600,000,000	\$ 50,000,000	\$ 650,000,000
2026/27	\$ 300,000,000	\$ 50,000,000	\$ 350,000,000



Historical and Assumed Taxable Assessed Valuations



Fiscal Year	2019/20	2020/21	2021/22	2022/23	2023/24	2024/25	Average Annual Increase – Years 2020/21 – 2024/25
Taxable Assessed Valuation	\$15,214,471,250	\$15,614,438,326	\$15,445,499,674	\$16,497,960,571	\$17,935,416,269	\$19,000,092,351	---
Dollar Change	\$---	\$399,967,076	(\$168,938,652)	\$1,052,460,897	\$1,437,455,698	\$1,064,676,082	\$757,124,220
Percentage Change	---%	2.63%	(1.08%)	6.81%	8.71%	5.94%	4.54%

Fiscal Year	2025/26	2026/27	2027/28 & Thereafter	Average Annual Increase – Years 2025/26 – 2026/27
Taxable Assessed Valuation	\$19,650,092,351	\$20,000,092,351	\$20,000,092,351	---
Dollar Change	\$650,000,000	\$350,000,000	\$---	\$500,000,000
Percentage Change	3.42%	1.78%	---%	2.60%



Preliminary Financing Plan – Series 2025 Bond Sale

- The following table summarizes the projected results of the Series 2025 Bond sale.

Series 2025 Bonds – Summary of Projected Results	
Description	Estimated Results
Dollar Amount of Bonds to be Issued – Series 2025 Bonds	\$ 59,235,000
Projected True Interest Cost (“All-In TIC”)	4.07%
Projected I&S Tax Rate Increase	--- Cents
Projected Net Bond Payments – Series 2025 Bonds	\$ 87,707,323
Projected Bond Repayments – 5 Years (i.e. Years 2025/26 – 2029/30)	\$ 17,530,000
Projected Bond Repayments – 10 Years (i.e. Years 2025/26 – 2034/35)	28,965,000
Projected Bond Repayments – 15 Years (i.e. Years 2025/26 – 2039/40)	38,700,000
Final Maturity – Series 2025 Bonds	Aug. 15, 2049



Preliminary Financing Plan – 2024 Bond Program

- ❑ Based upon the Preliminary Financing Plan herein, the 2024 Bond Program is projected to be fully implemented with no tax rate increase and at \$18,072,802 below the original cost communicated to voters at the time of the May 2024 bond election.

Preliminary Financing Plan – 2024 Bond Program – Summary of Projected Results			
Description	Voter Education Material	Preliminary Financing Plan	Difference
Dollar Amount of Bonds to be Issued – Series 2025 Bonds	\$ 150,000,000	\$ 59,235,000	
Dollar Amount of Bonds to be Issued – Series 2026 Bonds	---	64,300,000	
Dollar Amount of Bonds to be Issued – Series 2027 Bonds	---	26,465,000	
Total Dollar Amount of Bonds to be Issued – 2024 Bond Program	\$ 150,000,000	\$ 150,000,000	\$ ---
Projected True Interest Cost (“All-In TIC”) – Series 2025 Bonds	5.00%	4.07%	0.93%
Projected True Interest Cost (“All-In TIC”) – Series 2026 Bonds	---%	5.00%	---%
Projected True Interest Cost (“All-In TIC”) – Series 2027 Bonds	---%	5.00%	---%
Year 2024/25 I&S Tax Rate	18.64 Cents	18.64 Cents	--- Cents
Plus: Projected I&S Tax Rate Increase – 2024 Bond Program	0.00 Cents	(0.13 Cents)	0.13 Cents
Anticipated Maximum I&S Tax Rate Upon Completion of 2024 Bond Program	18.64 Cents	18.51 Cents	0.13 Cents
Projected Net Bond Payments – 2024 Bond Program	\$ 255,916,250	\$ 237,843,448	\$ 18,072,802
Projected Bond Repayments – 5 Years	\$ 14,805,000	\$ 37,605,000	\$ 22,800,000
Projected Bond Repayments – 10 Years	58,350,000	67,185,000	8,835,000
Projected Bond Repayments – 15 Years	82,100,000	93,865,000	11,765,000
Final Maturity – 2024 Bond Program	Aug. 15, 2049	Aug. 15, 2049	---



Preliminary Financing Plan – 2024 Bond Program

Preliminary Financing Plan - \$150 Million 2024 Bond Program (As of December 12, 2024) | Assumes 3 Bond Sales | Use I&S Fund Balance In Years 2025/26 - 2029/30

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P
Year	Total Existing Bond Payments	Plus: February-25 Fixed Rate Series 2025 \$59,235,000 @ 4.07%	Plus: February-26 Fixed Rate Series 2026 \$64,300,000 @ 5.00%	Plus: February-27 Fixed Rate Series 2027 \$26,465,000 @ 5.00%	Total Combined Bond Payments	Less: Projected IFA & EDA State Funding Assistance	Less: Projected ASAHE State Funding Assistance	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Less: Projected Revenues From The Gaylord Texan TIRZ ^(A)	Less: I&S Fund Balance Contribution	Net Combined Bond Payments	Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference	Estimated I&S Fund Balance At The End Of August
2024/25	\$41,635,825	\$0	\$0	\$0	\$41,635,825	\$0	\$2,989,205	\$3,398,122	\$3,215,250	(\$2,887,098)	\$34,920,346	\$19,000,092,351	\$0.1864		\$34,887,098
2025/26	41,638,575	7,301,573	0	0	48,940,148	0	1,494,603	3,398,122	3,215,250	4,977,420	35,854,753	19,650,092,351	0.1851	(\$0.0013)	29,909,678
2026/27	38,951,575	5,768,250	4,822,500	0	49,542,325	0	1,461,011	3,398,122	3,215,250	4,977,420	36,490,522	20,000,092,351	0.1850		24,932,259
2027/28	37,614,075	5,978,750	3,925,000	1,984,875	49,502,700	0	1,418,586	3,398,122	3,217,250	4,977,420	36,491,322	20,000,092,351	0.1850		19,954,839
2028/29	39,146,575	4,715,750	3,924,500	1,768,250	49,555,075	0	1,466,151	3,398,122	3,218,500	4,977,420	36,494,882	20,000,092,351	0.1851		14,977,420
2029/30	32,003,025	6,302,000	9,047,250	1,771,000	49,123,275	0	1,165,616	3,398,122	3,092,250	4,977,420	36,489,867	20,000,092,351	0.1850		10,000,000
2030/31	23,473,213	4,137,750	9,047,000	4,007,500	40,665,463	0	873,907	3,398,122	1,874,051	0	34,519,383	20,000,092,351	0.1750	(\$0.0100)	10,000,000
2031/32	20,068,150	5,546,250	9,047,000	4,011,000	38,672,400	0	754,161	3,398,122	0	0	34,520,117	20,000,092,351	0.1751		10,000,000
2032/33	9,915,200	2,968,750	3,921,500	1,767,500	18,572,950	0	374,900	3,398,122	0	0	14,799,928	20,000,092,351	0.0750	(\$0.1001)	10,000,000
2033/34	9,911,250	2,970,750	3,921,000	1,769,000	18,572,000	0	374,919	3,398,122	0	0	14,798,959	20,000,092,351	0.0750		10,000,000
2034/35	9,917,400	2,964,250	3,921,250	1,768,500	18,571,400	0	375,270	3,398,122	0	0	14,798,008	20,000,092,351	0.0750		10,000,000
2035/36	9,917,400	2,964,500	3,922,000	1,771,000	18,574,900	0	375,428	3,398,122	0	0	14,801,350	20,000,092,351	0.0751		10,000,000
2036/37	9,855,800	2,981,000	3,923,000	1,771,250	18,531,050	0	331,928	3,398,122	0	0	14,801,000	20,000,092,351	0.0751		10,000,000
2037/38	9,849,900	2,987,750	3,924,000	1,769,250	18,530,900	0	331,730	3,398,122	0	0	14,801,048	20,000,092,351	0.0751		10,000,000
2038/39	9,850,950	2,985,000	3,924,750	1,770,000	18,530,700	0	331,765	3,398,122	0	0	14,800,813	20,000,092,351	0.0751		10,000,000
2039/40	9,855,500	2,983,000	3,925,000	1,768,250	18,531,750	0	331,918	3,398,122	0	0	14,801,710	20,000,092,351	0.0751		10,000,000
2040/41	9,846,800	2,991,500	3,924,500	1,769,000	18,531,800	0	331,626	3,398,122	0	0	14,802,052	20,000,092,351	0.0751		10,000,000
2041/42	0	2,644,750	3,923,000	1,772,000	8,339,750	0	0	3,398,122	0	0	4,941,628	20,000,092,351	0.0251	(\$0.0500)	10,000,000
2042/43	0	2,640,250	3,925,250	1,772,000	8,337,500	0	0	3,398,122	0	0	4,939,378	20,000,092,351	0.0250		10,000,000
2043/44	0	2,646,500	3,920,750	1,769,000	8,336,250	0	0	3,398,122	0	0	4,938,128	20,000,092,351	0.0250		10,000,000
2044/45	0	2,647,750	3,924,500	1,768,000	8,340,250	0	0	3,398,122	0	0	4,942,128	20,000,092,351	0.0251		10,000,000
2045/46	0	2,644,000	3,925,750	1,768,750	8,338,500	0	0	3,398,122	0	0	4,940,378	20,000,092,351	0.0251		10,000,000
2046/47	0	2,645,250	3,924,250	1,771,000	8,340,500	0	0	3,398,122	0	0	4,942,378	20,000,092,351	0.0251		10,000,000
2047/48	0	2,646,000	3,924,750	1,769,500	8,340,250	0	0	3,398,122	0	0	4,942,128	20,000,092,351	0.0251		10,000,000
2048/49	0	2,646,000	3,921,750	1,769,250	8,337,000	0	0	3,398,122	0	0	4,938,878	20,000,092,351	0.0250		10,000,000
Total	\$363,451,213	\$87,707,323	\$106,510,250	\$43,625,875	\$601,294,660	\$0	\$14,782,724	\$84,953,050	\$21,047,801	\$22,000,000	\$458,511,086				

^(A) Represents 100% of the estimated revenues received from Gaylord Texan TIRZ generated from the District's Maintenance & Operations tax rate.



Summary of GCISD's Estimated Callable Bonds – After the Sale of the Series 2025 Bonds

- Upon completion of the Series 2025 Bond sale, Grapevine-Colleyville ISD is estimated to have \$243,105,000 of bonds eligible to be repaid prior to maturity.

Estimated Summary of Callable Unlimited Tax Bonds - Upon Completion of the Series 2025 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-B [Non-PSF]	Any Date	\$ 19,940,000	\$ 19,940,000	2025 - 2031	2031	3.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2019 [Short Call]	Any Date	10,395,000	10,395,000	2039 - 2041	2041	3.000%
Unlimited Tax Refunding Bonds, Series 2016	08/15/2025	41,035,000	41,035,000	2026 - 2029	2029	5.000%
Unlimited Tax School Building Bonds, Series 2016	08/15/2025	116,995,000	113,105,000	2026 - 2041	2041	3.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2019 [Long Call]	08/15/2027	34,965,000	29,245,000	2028 - 2038	2038	4.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2025	08/15/2034	59,235,000	29,385,000	2035 - 2049	2049	TBD
Unlimited Tax School Building and Refunding Bonds, Series 1998	Non-Callable	4,200,659	---	---	2025	---
Unlimited Tax Refunding Bonds, Series 2021-A	Non-Callable	35,090,000	---	---	2031	---
Unlimited Tax Refunding Bonds, Series 2021-B [Non-PSF]	Non-Callable	10,045,000	---	---	2028	---
Totals	---	\$ 331,900,659	\$ 243,105,000	---	---	---



Overview of “Parameters Bond Order” – Series 2025 Bond Sale

- ❑ As previously utilized for prior bond sales, Grapevine-Colleyville ISD’s Board of Trustees may adopt a “Parameters Bond Order” designating the ability to approve the issuance of the Series 2025 Bonds to the District’s Administration if each of the established parameters is met.

- ❑ The Board of Trustees may consider a “Parameters Bond Order” at its Monday, December 16, 2024 Board meeting and the following is a representative listing of the primary parameters we would currently recommend for the Series 2025 Bonds:
 - 1) Maximum principal amount of bonds to be issued – \$59,235,000;
 - 2) Maximum “All-In” True Interest Rate (must not exceed) – 4.50%;
 - 3) Final maturity of the Series 2025 Bonds – August 15, 2049; and
 - 4) Sale must be completed prior to December 15, 2025 (i.e., 1 year).

- ❑ Unless each parameter listed above can be achieved, the Series 2025 Bonds will not be issued until additional direction is received from the District.



Preliminary Timetable – Series 2025 Bonds

December 2024						
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				

January 2025						
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	

February 2025						
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	

Board Meeting
 Closing – Receipt of Funds

Preliminary Timetable – Series 2025 Bonds	
Date*	Action Necessary
December 16, 2024	Board Meeting – Discuss the Preliminary Financing Plan for the sale of the Unlimited Tax School Building Bonds, Series 2025 (the “Series 2025 Bonds”) and consider a “Parameters Bond Order” authorizing the issuance of the Series 2025 Bonds.
January 24, 2025	Completion of all actions necessary to sell the Series 2025 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 2025 Bonds pursuant to specified parameters and the District’s Administration approves the necessary legal documents – Interest rates locked-in at this time.
February 20, 2025	Closing – Proceeds of the Series 2025 Bonds are delivered to the District.
* Preliminary, subject to change.	



ORDER AUTHORIZING THE ISSUANCE OF GRAPEVINE-COLLEYVILLE INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2025; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE ON BEHALF OF THE DISTRICT THE SALE OF THE BONDS, THE TERMS OF THE BONDS AND THE OFFERING DOCUMENTS FOR THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS BY THE PRICING OFFICER; APPROVING THE USE OF A PAYING AGENT/REGISTRAR AGREEMENT; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
 COUNTIES OF TARRANT AND DALLAS §
 GRAPEVINE-COLLEYVILLE INDEPENDENT SCHOOL DISTRICT §

WHEREAS, a portion of the hereinafter authorized bonds represent the issuance of a portion of the bonds lawfully and favorable voted and approved by voters of the Grapevine-Colleyville Independent School District (the “Issuer”) on May 4, 2024 (the “Election”), as follows:

<u>Prop No.</u>	<u>Purpose</u>	<u>Total Voted Amount</u>	<u>Amount Previously Issued</u>	<u>Amount Being Issued</u>	<u>Amount Remaining Unissued</u>
A	School Facilities	\$134,236,405	\$0	TBD	TBD
B	Technology	\$ 10,225,554	\$0	TBD	TBD
C	Swim Center	\$ 5,538,041	\$0	TBD	TBD
		<u>\$150,000,000</u>	<u>\$0</u>	<u>TBD</u>	<u>TBD</u>

WHEREAS, the Board of Trustees of the District deems it necessary and advisable to authorize, issue and deliver up to \$59,235,000 of said voted bond authorization from the Election for the purposes stated above and in Section 1 below, thereby leaving a balance of voted but unissued bonds from the Election of \$90,765,000, with the final amounts of said voted authorization and final terms of the bonds to be included in a pricing certificate (the “Pricing Certificate”) to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1371.004, Texas Government Code; and

WHEREAS, the Issuer 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 in 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 bonds hereafter authorized are being issued and delivered pursuant to Chapter 1371, Texas Government Code, as amended, Sections 45.001 and 45.003(b)(1) of the Texas Education Code, as amended, and other applicable laws; 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.

THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF GRAPEVINE-COLLEYVILLE 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 of Grapevine-Colleyville Independent School District (the “Issuer”) 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 purpose of (i) acquiring, constructing, renovating and equipping school facilities, the purchase of necessary sites for school facilities, and the purchase of school buses and vehicles, (ii) acquiring technology equipment, other than equipment used for school security purposes or technology infrastructure integral to the construction of a facility, (iii) constructing, acquiring, renovating, and equipping the Grapevine-Colleyville Independent School District Swim Center, and (iv) to pay the costs incurred in connection with the issuance of the Bonds (collectively, the “Projects”).

(c) Each bond issued pursuant to this Order shall be designated: “Grapevine-Colleyville Independent School District Unlimited Tax School Building Bond, Series 2025,” 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 of each series being made payable to the Underwriter thereof as described in Section 11 hereof), 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 prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

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

“Attorney General” means the Office of the Attorney General of the State.

“Board” means the Board of Trustees of the Issuer.

“Bond Counsel” means such nationally recognized law firm selected by the Pricing Officer to serve as bond counsel to the Issuer with respect to the issuance of the Bonds.

“Bonds” means and includes collectively the Bond initially issued and delivered pursuant to this Order (the “Initial Bond”) 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.

“Code” means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Issuance Date, including applicable regulations, published rulings, and court decisions.

“Comptroller” means the Office of the Comptroller of Public Accounts of the State.

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

“Issuance Date” shall mean the date of delivery of the Initial Bond to the Underwriter or purchasers thereof against payment therefor.

“Issuer” shall mean the Grapevine-Colleyville Independent School District, located in Tarrant and Dallas Counties, Texas.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

“Paying Agent/Registrar” shall mean the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds, or any successor thereto as provided in this Order.

“Pricing Certificate” means the certificate signed by the Pricing Officer described in Section 3(a) finalizing the terms and sale of the Bonds.

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

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

“State” means the State of Texas.

“Treasury Regulations” shall mean the rules and regulations of the United States Department of the Treasury and any court or administrative rulings promulgated pursuant to the Code, as amended and in effect on the Issuance Date.

Section 3. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the Superintendent of Schools, Chief Financial Officer and Chief Operations Officer of the Issuer (each a "Pricing Officer") are hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds and carrying out the other procedures specified in this Order, including with respect to each series of Bonds, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, designating the underwriter(s) for the Bonds, 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 upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, the amounts of principal and premium to be allocated to each of the propositions approved by voters at the Election, whether the Bonds shall be issued on a tax-exempt basis or on a taxable basis, whether the Bonds shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Code, 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, including the execution of any commitment agreements, credit agreements, membership agreements in mutual insurance companies, and other similar agreements, 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 \$59,235,000;

(ii) no bond shall mature after August 15, 2049; and

(iii) the maximum interest rate (expressed as All-In TIC) on Bonds shall not exceed: 4.50%.

(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) of this Section 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 on or prior to one year following adoption of this Order. It is further provided, however, that notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery, the Bonds have been rated by a Rating Agency for in one of the four highest rating categories for long term obligations, as required by Chapter 1371. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

(c) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Board of Trustees 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, in the Issuer's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

Section 4. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion, and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion, and exchange of the Bonds (the “Registration Books”), and the Issuer 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 Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions, and exchanges as herein provided. 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. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Issuer 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 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 shall be paid as provided in the FORM OF BOND set forth in this Order. 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 in this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any Bond, date and manually sign the Paying Agent/Registrar’s Authentication Certificate, and, except as provided in subsection (c) of this Section, no Bond shall be deemed to be issued or outstanding unless such Paying Agent/Registrar’s Authentication Certificate 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 Issuer 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 Paying Agent/Registrar’s Authentication Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond.

(b) Payment of Bonds and Interest. The Issuer 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 Issuer 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 Issuer. 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.

(c) In General. 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 or shall be redeemed prior to their scheduled maturities, (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) shall have principal and interest payable, and (viii) shall be administered by the Paying Agent/Registrar, and the Issuer 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 in this Order. The Bond initially issued and delivered pursuant to this Order is 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 set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Issuer 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 a single entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 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 Issuer 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 Issuer. Upon any change in the Paying Agent/Registrar, the Issuer 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) Book-Entry Only System. The Bonds issued in exchange for the Initial Bond 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 (f) 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 Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations, or 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 Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any 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 Issuer 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 Issuer’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 Issuer 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.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representation of the Issuer 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 Issuer 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.

(g) 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 Blanket Issuer Letter of Representations of the Issuer to DTC.

(h) Cancellation of Initial Bond. On the closing date, the Initial Bond, representing the entire principal amount of the respective series of Bonds, payable in stated installments to the Underwriter designated pursuant to Section 11 hereof 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 such Underwriter or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such 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. 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.

Section 5. FORM OF BONDS. The form of the Bonds, 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 to the Initial Bond, 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.

(a) Form of Bond.

NO. R-___	UNITED STATES OF AMERICA STATE OF TEXAS COUNTIES OF TARRANT AND DALLAS GRAPEVINE-COLLEYVILLE INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BOND SERIES 2025	PRINCIPAL AMOUNT \$_____
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<u>INTEREST RATE</u>	<u>DATE OF BONDS</u>	<u>MATURITY DATE</u>	<u>CUSIP NO.</u>
	_____, 2025		

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, Grapevine-Colleyville Independent School District, in Tarrant and Dallas Counties, Texas (the "Issuer"), 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 Date of Bonds set forth above, on _____ and semiannually thereafter on each _____ and _____ to the maturity date specified above, 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, at the designated corporate trust office of [NAME OF PAYING AGENT/REGISTRAR], [CITY], [STATE], 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 Issuer required by the order authorizing the issuance of the Bonds (the "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 _____ 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 Issuer. 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 at maturity 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 Issuer 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 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 one of a Series of Bonds dated as of _____, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$ _____ for the public purpose of providing funds for the construction, acquisition and

equipment of school buildings in the Issuer, including the purchase of new school buses, and the purchase of the necessary sites for school buildings, for the purpose of acquiring and replacing instructional technology equipment, and to pay the costs incurred in connection with the issuance of the Bonds.

ON _____, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, 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 Issuer (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 to be redeemed plus accrued interest to the date fixed for redemption.

THE BONDS scheduled to mature on _____ in the years ____ and ____ (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 Maturing _____, 20__	Term Bond Maturing _____, 20__	Term Bond Maturing _____, 20__
<u>Date</u>	<u>Date</u>	<u>Date</u>
<u>Principal Amount</u>	<u>Principal Amount</u>	<u>Principal Amount</u>
(1)	(1)	(1)
<hr style="width: 30%; margin-left: 0;"/> ⁽¹⁾ Stated maturity		

The principal amount of Term Bonds of a stated maturity 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 Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer 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 Issuer 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.

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 business day next preceding the date 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 Issuer, all as provided in the Bond Order.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of \$5,000 in principal amount or any integral multiple thereof. 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 Issuer. 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 with respect to Bonds (i) 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 (ii) 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 Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the 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 Issuer, 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 Issuer, and have been pledged for such payment, without legal limit as to rate or amount.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the 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 Order, agrees to be bound by such terms and provisions, acknowledges that the Order is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Order constitute a contract between each Registered Owner hereof and the Issuer.

IN WITNESS WHEREOF, the Issuer has caused this Bond to be signed with the manual or facsimile signature of the President of the Board of Trustees of the Issuer and countersigned with the manual or facsimile signature of the Secretary of the Board of Trustees of the Issuer, and has caused the official seal of the Issuer to be duly impressed, or placed in facsimile, on this Bond.

(signature)
Secretary, Board of Trustees

(signature)
President, Board of Trustees

(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 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 _____

[NAME OF PAYING AGENT/REGISTRAR]
[CITY], [STATE]
Paying Agent/Registrar

By _____
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT

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

Please insert Social Security or Taxpayer Identification Number of Transferee:

Please print or typewrite name and address, including zip code of Transferee:

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 there is on file and of record in my office a true and correct copy of the opinion of the Attorney General of the State of Texas approving this Bond and that this Bond has been registered this day by me.

Witness my signature and seal this

XXXXXXXX
Comptroller of Public Accounts
of the State of Texas

(COMPTROLLER’S SEAL)

(e) Insertions for Initial Bonds.

(i) The Initial Bond shall be in the form set forth in subsection (a) above, 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:

“GRAPEVINE-COLLEYVILLE INDEPENDENT SCHOOL DISTRICT, in Tarrant and Dallas Counties, Texas (the “Issuer”), 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”), on the dates, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

 Maturity Date Principal Amount Interest Rate

(Information for the Bonds from Pricing Certificate to be inserted)

The Issuer 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 Date of Bonds set forth above, on _____ and semiannually thereafter on each _____ and _____ to the respective maturity date specified above, at the respective 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.”

C. The initial Bond shall be numbered “TR-1.”

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 Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, 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, together with any accrued interest received from the Underwriters of the Bonds, 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 Issuer 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 Issuer, 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 Issuer 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, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section, and is therefore valid, effective, and perfected. If State law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the Issuer 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 & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

Section 7. 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 Issuer 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 Issuer 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, and thereafter the Issuer 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 (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer 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 Issuer 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 Issuer, or deposited as directed in writing by the Issuer. 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 (a)(i) or (ii) of this Section. 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 Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to 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 Issuer shall make proper arrangements to provide and pay for such services as required by this Order.

(e) In the event that the Issuer 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 8. 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Issuer 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 Section 4(a) of this Order for Bonds issued in conversion and exchange for other Bonds.

Section 9. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS, AND CONTINGENT INSURANCE PROVISION, IF OBTAINED. The Pricing Officer is hereby authorized to have control of the Initial Bond and all necessary records and proceedings pertaining to the Bonds pending its delivery and investigation, examination, and approval by the Attorney General, and its registration by the Comptroller. Upon registration of the Initial Bond said Comptroller (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to the Initial Bond, and the seal of said Comptroller shall be impressed, or placed in

facsimile, on such Comptroller's Registration Certificate. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, 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.

Section 10. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Code, the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) 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;

(c) 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;

(d) 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;

(e) 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;

(f) 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 —

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

(2) amounts invested in a bona fide debt service fund, within the meaning of section 1.148-1(b) of the rules and regulations of the United States Department of the Treasury ("Treasury Regulations"), and

(3) 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;

(g) 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);

(h) to refrain from using the proceeds of the 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

(i) to pay to the United States of America at least once during each five-year period (beginning on the Issuance 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.

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

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

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

Section 11. SALE OF BONDS; OFFICIAL STATEMENT.

(a) The Bonds shall be sold and delivered subject to the provisions of Sections 1 and 3 through a negotiated sale, competitive sale or private placement and pursuant to the terms and provisions of a purchase contract or a notice of sale and bidding instructions and official bid form (in either case, the “Purchase Agreement”) which the Pricing Officer is hereby authorized to execute and deliver and in which the initial purchaser or purchasers (collectively, the “Underwriters”) of the Bonds shall be designated. The Initial Bonds shall be registered in the name of the purchaser thereof as set forth in the Pricing Certificate.

(b) The Pricing Officer is hereby authorized, in the name and on behalf of the Issuer, to approve, distribute, and deliver a notice of sale and bidding instructions, official bid form, preliminary official statement and a final official statement relating to the Bonds to be used by the Underwriters in the marketing of the Bonds.

Section 12. FURTHER PROCEDURES.

(a) The President or Vice President and Secretary of the Board, the Pricing Officer and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar 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, the Blanket Issuer Letter of Representations with DTC, the Bonds, the sale of the Bonds and the Official Statement. 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 of the Issuer to DTC is hereby incorporated herein and its provisions shall prevail over any other provisions of this Order in the event of conflict. 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 Underwriters to accept delivery of the Bonds is subject to the Underwriters being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated as of the Issuance Date. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the President of the Board or the Pricing Officer and the President or Pricing Officer are hereby authorized to execute such engagement letter.

Section 13. COMPLIANCE WITH RULE 15c2-12. The Issuer hereby makes the following undertaking with respect to the Bonds. The Pricing Officer is hereby authorized to modify the undertaking contained in this Section 13, and such modifications, if any, shall be set forth in the Pricing Certificate.

(a) Annual Reports.

The Issuer shall provide certain updated financial information and operating data annually to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Issuer of the general type included in the Official Statement in “Appendix A – FINANCIAL INFORMATION REGARDING THE DISTRICT” (Tables 1 through 16) and in “Appendix E – AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024”. The Issuer will update and provide the information in Tables 1 through 16 in “Appendix A – FINANCIAL INFORMATION REGARDING THE DISTRICT” within six months after the end of each fiscal year ending in and after 2025. The Issuer will additionally provide audited financial statements within 12 months after the end of each fiscal year ending in or after 2025. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements included in the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial statements by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

If the Issuer 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 Issuer otherwise would be required to provide financial information and operating data pursuant to this Section. The financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document, if it is available from the MSRB) that theretofore has been provided to the MSRB or filed with the SEC.

(b) Notice of Certain Events. (i) The Issuer shall file notice of any of the following events with respect to the Bonds with the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;

- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of the assets of the Issuer, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, 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 Issuer, any of which reflect financial difficulties.

For these purposes, (i) 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 Issuer 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 Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers of the Issuer 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 Issuer., and (ii) the Issuer 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 Issuer shall file notice with the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with Subsection (a) of this Section by the time required by such Subsection.

(c) Limitations, Disclaimers, and Amendments. (i) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give the notice required by Subsection (b) hereof of any Bond calls and defeasance that cause the Issuer to no longer be such an “obligated person”.

(ii) 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 Issuer 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 Issuer’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 Issuer 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.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER 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 ISSUER, 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.

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

(v) The provisions of this Section may be amended by the Issuer 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 Issuer, 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 Issuer (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 Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) 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 Issuer 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.

Section 14. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued, as set forth in Section 1 hereof; provided that after completion of such purpose, 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 Section 10 hereof 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.

Section 15. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECTS. The Issuer covenants to account for the expenditure of sale proceeds and investment

earnings to be used for the Projects on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are completed. The foregoing notwithstanding, the Issuer shall not expend sale proceeds or investment earnings thereon more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired, unless the Issuer obtains an opinion of nationally-recognized bond counsel that such expenditure will not adversely affect the status, for federal income tax purposes, of the Bonds or the interest thereon. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

Section 16. CONSTRUCTION FUND.

(a) The Issuer hereby creates and establishes and shall maintain on the books of the Issuer a separate fund to be entitled the “Series 2025 Bonds Construction Fund” (the “Construction Fund”) for use by the Issuer for payment of all lawful costs associated with the acquisition and construction of the Projects as hereinbefore provided. Upon payment of all such costs, any moneys remaining on deposit in said 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 Section 6 of this Order.

(b) The Issuer may invest proceeds of the Bonds (including investment earnings thereon) issued for Projects 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 Issuer hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the purposes for which the Bonds are issued.

(c) 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 17. DISPOSITION OF PROJECT. The Issuer covenants that the property constituting the projects financed with the proceeds of the Bonds will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer may rely on an opinion of nationally-recognized bond counsel that the action taken in connection with such sale or other disposition will not adversely affect the tax-exempt status of the Bonds. For purposes of the foregoing, the portion of the property comprising personal property and disposed in the ordinary course shall not be treated as a transaction resulting in the receipt of cash or other compensation. For purposes hereof, the Issuer shall not be obligated to comply with this covenant if it obtains an opinion of nationally recognized bond counsel that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest on the Bonds.

Section 18. FACILITIES ALLOTMENT FUNDS; STATE ASSISTANCE FUNDS. In connection with the issuance of the Bonds, the Issuer may receive financial assistance from the Texas Education Agency in accordance with one or more programs established pursuant to Chapter 46, Texas Education Code, as amended (the “Program”). In each fiscal year in which the Issuer receives funding under the Program or any successor State funding program which provides a debt service subsidy for the Bonds and, in either case, which requires the Issuer 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 Issuer 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. 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.

Section 19. PERMANENT SCHOOL FUND GUARANTEE PROGRAM. The Issuer has made application for guarantee of the Bonds by the Permanent School Fund of the State of Texas (the “Permanent School Fund”). In connection therewith, the Issuer 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 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 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 Issuer 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 Issuer from the following sources and in the following order, to wit: foundation school fund, available school fund.

Section 20. METHOD OF AMENDMENT. The Issuer hereby reserves the right to amend this Order subject to the following terms and conditions, to wit:

(a) The Issuer 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, a majority of the Registered Owners (for purposes of this sentence only, 100% of the aggregate principal amount of Bonds which are insured by a bond insurance provider at the time that the Issuer seeks approval of an amendment shall be deemed to be owned by such bond insurance provider) of Bonds then outstanding 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 Issuer; 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 payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest 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 Issuer shall desire to amend this Order under this Section, the Issuer 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 Issuer 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 Issuer 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 Issuer 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 the 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 Issuer, 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.

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

Section 21. APPROPRIATION. 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.

Section 22. GOVERNING LAW. This Order shall be construed and enforced in accordance with the laws of the State and the United States of America.

Section 23. 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.
