North East Independent School District

8961 Tesoro Drive, San Antonio, Texas 78217

NOTICE OF MEETING OF THE BOARD OF TRUSTEES

Notice is hereby given that a meeting of the Board of Trustees of the North East Independent School District will be held on April 13, 2026. The Board will convene in Open Session at 5:30 PM, then move into Executive Session and resume the public portion of the meeting no earlier than 6:15 PM. The Board will meet on the first floor of the Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas 78217. Such meeting is a regular meeting.

The open session portion of the meeting is livestreamed, and members of the public may view the meeting by going to the North East Independent School District's YouTube channel. Click the link below or type it into your browser.

https://www.youtube.com/c/NEISDtv

Items will not necessarily be discussed or considered in the order they are printed. Anyone wishing exhibit information in accordance with Local Board Policy GBA, must contact the Public Information Officer.

MISSION STATEMENT

We challenge and encourage each student to achieve and demonstrate academic excellence, technical skills, and responsible citizenship.

I. **ESTABLISHMENT OF QUORUM AND CALL TO ORDER**
II. **EXECUTIVE SESSION**
- A. Personnel, including but not limited to Administrative Appointments pursuant to Government Code Section 551.074
  - 1. Routine Personnel including but not limited to Administrative Appointments
    - a. Director of Academy of Creative Education
    - b. Athletic Coordinator/Head Football Coach of Legacy of Educational Excellence High School
- B. Discussion Regarding Intruder Detection Security Audit pursuant to Government Code Section 551.072
- C. Purchase, Exchange, Lease, or Value of Real Property pursuant to Government Code Section 551.072
- D. Consultation with Board's Attorney pursuant to Government Code Section 551.071
  - 1. Pending and/or Possible Litigation

III. **RECONVENE INTO OPEN SESSION**
IV. **WELCOME FROM THE BOARD PRESIDENT**
V. **INVOCATION AND PLEDGE OF ALLEGIANCE**
- A. Harris Middle School

Presenter: Walonda Whitaker, Principal

VI. **RECOGNITIONS**
- A. President's Comments and Acknowledgment of Special Calendar Events

B. 2026 TMEA All State Musician
Presenter: Rudy Jimenez, Chief of Schools and Leadership
VII. **MATTERS FROM THE FLOOR**
VIII. **MATTERS FROM EXECUTIVE SESSION**
A. Personnel Including but not Limited to Administrative Appointments pursuant to Government Code Section 551.074
1. Possible Action Regarding Routine Personnel including but not limited to Administrative Appointments 4
Presenter: Rudy Jimenez, Chief of Schools and Leadership
a. Director of Academy of Creative Education
b. Athletic Coordinator/Head Football Coach of Legacy of Educational Excellence High School
IX. **PRESENTATIONS**
A. Intruder Detection Audit
B. NEISD Innovative Programs 5
Presenter: April Muzquiz, Interim Chief Instructional Officer
X. **SUPERINTENDENT COMMENTS**
XI. **REPORT ON REQUIRED BOARD TRAINING**
A. State Board Rule on Board Member Continuing Education Announcement of Credit 6
Presenter: David Beyer, President, Board of Trustees
XII. **NEW BUSINESS FOR POSSIBLE BOARD ACTION**
A. Business Services
1. Possible Action Regarding Consideration and Approval of an Order Authorizing and Establishing a Commercial Paper Program 7
Presenter: Susie Lackorn, Interim Chief Financial Officer
2. Possible Action Regarding Efficiency Committee 56
Presenter: Susie Lackorn, Interim Chief Financial Officer
B. Operations
1. Possible Action Regarding Senate Bill 546 (89R) School Bus Seat Belt Requirements 60
Presenter: Deb Caldwell, Chief Operations Officer
C. Consent
1. Instruction and Campus Administration
a. School Health Advisory Council (SHAC) Member Appointments 63
b. Consideration and Approval of Contracts Pursuant to HB 3372 66
c. 2025-2026 Campus and Classroom Libraries: Submission Two 67
2. Business Services
a. Over 100K Purchases 69
3. Operations
a. Variable Width Electrical Easement Dedication to CPS for Lighthouse Baptist Church 71
b. Open Records Designation of Ten Nonbusiness Days 76
4. Minutes from March 2, 2026, and March 23, 2026
5. End of Consent

XIII. **REPORTS**

A. Interim Financial and Management Reports
B. Awarded Bid Report
C. Closed PO Report
D. Federal Grants Report
E. Open Records Request Report

XIV. **DISCUSSION AND POSSIBLE ACTION REGARDING BOARD MEMBERS' REQUEST(S) FOR ITEM(S) TO BE PLACED ON A FUTURE AGENDA AND/OR REQUEST(S) FOR REPORT(S) FROM THE ADMINISTRATION**

XV. **ADJOURNMENT**

If, during the course of the meeting, discussion of any item on the agenda should be held in an Executive or Closed Session, the Board will convene in such Executive or Closed Session in accordance with the Open Meetings Act, Texas Government Code, Section 551.071, 551.072, and 551.074.

CERTIFICATE AS TO POSTING OR GIVING OF NOTICE

On this 7th day of April, no later than 5:30 PM, this notice was posted on a bulletin board located at a place readily accessible and convenient to the public at the Richard A. Middleton Education Center, 8961 Tesoro Drive, San Antonio, Texas.

The North East Independent School District does not discriminate
on the basis of race, color, religion, gender, national origin, age or disability

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Rudy Jimenez
Chyla Whitton, Executive Director for Human Resources

Subject: Employment of Personnel
New Hires

Related Page(s): None

ACTION ITEM

BACKGROUND INFORMATION

Policy DC (LOCAL) states: "The Superintendent has sole authority to make recommendations to the Board regarding the selection of contractual personnel in the following categories: central office administrator from the director level and above and campus administrator, including principals and assistant principals." Final authority for employment of contractual personnel in these categories shall be retained by the Board.

ADMINISTRATIVE CONSIDERATION

Campus personnel are recommended for employment by campus principals in accordance with TEC § 11.202(b). All other personnel are recommended by appropriate supervisors. In both cases, the candidate deemed "best qualified" has been selected.

BUDGETARY CONSIDERATION

New hires associated with replacement of personnel have been budgeted prior to the hiring process. New hires associated with recently established positions are covered by a contingency fund established by the Board for this purpose. Should the cost of such positions exceed the funds so budgeted, then a separate budget amendment is brought before the Board prior to additional positions being filled.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees of the North East Independent School District approve the hiring of new personnel as presented.

BOARD ACTION REQUIRED

Approval/Disapproval

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Dr. April Muzquiz, Interim Chief Instructional Officer; Dr. Esmeralda Muñoz, Executive Director for Learning Support Services

Subject: NEISD Innovative Programs Presentation

Related: Distributed to NEISD Board of Trustees

PRESENTATION ITEM

BACKGROUND INFORMATION

The NEISD Innovative Systems presentation outlines a unified plan that transforms the district into a closed-loop educational programming model designed to ensure that all students are exposed to highly innovative Tier I instruction and are further provided the opportunity to propel towards high-value careers. This district-wide transformation relies on three pillars:

- NEISD Moonshot pilot program restructures the educator pipeline—utilizing a progression of Associate, Apprentice, and Master teachers—to reduce student-to-teacher ratios, deliver personalized data-driven instruction, build strong family partnerships, and maximize resources.
- NEISD 6-12 P-TECH programs at DATA, STEM, and SETA accelerate learning by providing continuous academic pathways where students can earn a high school diploma alongside industry certifications and Associate Degrees in various specializations.
- NEISD Tiered Graduation System and a Virtual Summer Blueprint to proactively identify at-risk students through an Early Warning Radar, and provide immediate credit protection, recovery, or acceleration.

PRESENTATION

The NEISD Innovative Systems Presentation is included as part of the attachments provided for our Board of Trustees to review.

BUDGETARY CONSIDERATION

None

BOARD ACTION

None

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: David Beyer
President, Board of Trustees

Subject: State Board Rule on Board Member Continuing Education Announcement of Credit

Related Page(s):None

REPORT

BACKGROUND INFORMATION

Texas Education Code section 11.159, Subsection (b) of section 11.159 requires that a trustee complete any training required by the State Board of Education and that the minutes of the last regular meeting of the Board of Trustees held before an election of trustees must reflect whether each trustee has met or is deficient in meeting the training required for the trustee as of the first anniversary of the date of the trustee's election or appointment.

If the minutes reflect that a trustee is deficient, the district shall post the minutes on the district's Internet website within 10 business days of the meeting and maintain the posting until the trustee meets the requirements.

The announcement shall state that completing the annual required continuing education is a basic obligation and expectation of any sitting board member under the State Board of Education rule. The president shall cause the minutes of the local board to reflect the information that Board Members, David Beyer, Terri Chidgey, Lisa Thompson, Melinda Cox, Marsha Landry, Diane Sciba Villarreal and Tracie Shelton have met or exceeded the required continuing education hours to the extent applicable for each Board Member. (19TAC§61.1(j)

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Susan Lackorn

Subject: Consideration and Approval of an Order Authorizing and Establishing A Commercial Paper Program

Related Page(s): Resolution

ACTION ITEM

BACKGROUND INFORMATION

Consideration and approval of an order authorizing and establishing a Commercial Paper Program under which will be issued short term obligations in an aggregate principal amount not to exceed $100,000,000 to provide interim financing to pay project costs for eligible projects for the district; authorizing such short term obligations to be issued, sold, and delivered as commercial paper notes in one or more series and on a tax-exempt basis, authorizing the execution of loan notes, and prescribing the terms, features, and characteristics of such instruments; approving and authorizing certain members of the Board of Trustees and District Staff to act on behalf of the District in the sale and delivery of such short term obligations, within the limitations and procedures specified herein and in accordance with applicable law; making certain covenants and agreements in connection therewith; resolving other matters incident and related to the issuance, sale, security, and delivery of such short term obligations, including the approval of one or more revolving credit agreements providing liquidity support therefor; approving the use of an offering memorandum in connection with this matter; enacting other provisions incident and related to the subject and purpose of this order; and providing for an effective date.

ADMINISTRATIVE CONSIDERATION

Request for proposals for the liquidity facility provider bank, (re)marketing agent/dealer, and issuing agent were prepared and submitted on behalf of the District by the District's financial advisor, Hilltop Securities Inc. All submissions were reviewed by Hilltop Securities Inc and District staff. The contracts were awarded as follows: liquidity – JP Morgan, agent/dealer – Morgan Stanley, and issuing agent – Amegy Bank.

BUDGETARY CONSIDERATION

All associated costs will be paid from the District's Debt Service Fund.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees adopt an order authorizing the establishment of North East Independent School District Commercial Paper Program, the issuance of notes from time to time thereunder and execution of a credit agreement in connection therewith.

BOARD ACTION REQUIRED

Approval/Disapproval

ORDER AUTHORIZING AND ESTABLISHING
$100,000,000
NORTH EAST INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX COMMERCIAL PAPER PROGRAM

AN ORDER AUTHORIZING AND ESTABLISHING A COMMERCIAL PAPER PROGRAM UNDER WHICH WILL BE ISSUED SHORT TERM OBLIGATIONS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $100,000,000 TO PROVIDE INTERIM FINANCING TO PAY PROJECT COSTS FOR ELIGIBLE PROJECTS FOR THE DISTRICT; AUTHORIZING SUCH SHORT TERM OBLIGATIONS TO BE ISSUED, SOLD, AND DELIVERED AS COMMERCIAL PAPER NOTES IN ONE OR MORE SERIES AND ON A TAX-EXEMPT BASIS, AUTHORIZING THE EXECUTION OF LOAN NOTES, AND PRESCRIBING THE TERMS, FEATURES, AND CHARACTERISTICS OF SUCH INSTRUMENTS; APPROVING AND AUTHORIZING CERTAIN MEMBERS OF THE BOARD OF TRUSTEES AND DISTRICT STAFF TO ACT ON BEHALF OF THE DISTRICT IN THE SALE AND DELIVERY OF SUCH SHORT TERM OBLIGATIONS, WITHIN THE LIMITATIONS AND PROCEDURES SPECIFIED HEREIN AND IN ACCORDANCE WITH APPLICABLE LAW; MAKING CERTAIN COVENANTS AND AGREEMENTS IN CONNECTION THEREWITH; RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, SECURITY, AND DELIVERY OF SUCH SHORT TERM OBLIGATIONS, INCLUDING THE APPROVAL OF ONE OR MORE CREDIT AGREEMENTS PROVIDING LIQUIDITY SUPPORT THEREFOR AND/OR DIRECT PURCHASE THEREOF; APPROVING THE USE OF AN OFFERING MEMORANDUM IN CONNECTION WITH THIS MATTER; ENACTING OTHER PROVISIONS INCIDENT AND RELATED TO THE SUBJECT AND PURPOSE OF THIS ORDER; AND PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, North East Independent School District (the *District*) is an independent school district and a political subdivision of the State of Texas and an "issuer" under Section 1201.002 of the Texas Government Code that has at least $100,000,000 in principal amount of outstanding long term indebtedness that is rated by a nationally recognized rating agency for municipal securities in one of the four highest rating categories for long-term obligations (without regard to credit enhancement); and

WHEREAS, at an election held in the District on November 4, 2025 (the *Election*), the District voters approved a proposition which authorizes the issuance of $482,990,000 in unlimited tax school building bonds (the *Authorization*) for the purposes of (i) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities, including District-wide renovations, additions, safety and security improvements, roof and HVAC replacements, and technology infrastructure improvements, and the purchase of new school buses and vehicles, (ii) acquiring and updating instructional technology equipment, and (iii) designing, constructing, renovating, improving, upgrading, updating, expanding, acquiring, and equipping athletic facilities in the District, including the athletic facilities at the Blossom Athletic Center (the North East Baseball Complex, the Blossom Tennis Center, the East and West Soccer Fields, the Jimmy Littleton Gymnasium, and a new athletic storage facility), the athletic facilities at the North

East Sports Park, and the District's Softball Complex on Judson Road (collectively, the *Eligible Projects*); and

WHEREAS, for the benefit of the District, its Board of Trustees (the *Board*), at this time, desires to establish, pursuant to the provisions of Chapter 1371, as amended, Texas Government Code (the *Act*), a commercial paper program known as the North East Independent School District Commercial Paper Program (the *Program*), pursuant to which the District will from time to time issue commercial paper notes in one or more series but initially in two series (notes of any such series, as further defined and described herein, the *Commercial Paper Notes*), for the purpose of providing the District with an interim financing program, as well as with ready access to capital as necessary to provide interim financing to pay costs of the Eligible Projects; and

WHEREAS, under the Program, the District shall be permitted to issue from time to time, as obligations supported by the District's levy of ad valorem taxes (without limit as to rate or amount), the Commercial Paper Notes and the Loan Notes, the proceeds of which may be used for the purposes, shall have the characteristics, and shall be secured in the manner hereinafter described; provided however, the amount of the Commercial Paper Notes outstanding at any one time cannot exceed the lesser of the maximum principal amount of Commercial Paper Notes hereunder authorized and the amount of credit and/or liquidity support for the Commercial Paper Notes at any one time available, as applicable; and

WHEREAS, to provide certain credit and/or liquidity support for the Commercial Paper Notes, the Board hereby authorizes the execution of one or more revolving credit agreements and note purchase agreements, in substantially the forms attached hereto as Exhibit A, in connection with the issuance of the Commercial Paper Notes in the aggregate principal amount of $100,000,000 and, in connection therewith, to execute one or more loan notes evidencing the District's repayment obligations thereunder; and

WHEREAS, the Board now desires to initially enter into two separate revolving credit agreements, one of which is in the form of a note purchase agreement, with, one relating to each of the hereinafter-defined Series A Notes and Series B Notes and both with JPMorgan Chase Bank, National Association, to provide liquidity support for these two initial series of Commercial Paper Notes in the aggregate amount of $100,000,000; and

WHEREAS, such short-term obligations proposed to be issued constitute obligations which the District intends to refund through the issuance of its unlimited tax bonds issued pursuant to Chapter 1207, as amended, Texas Government Code, as contemplated and permitted under Section 1371.057(c) of the Act; and

WHEREAS, arrangements relating to such interim financing have been settled and the Board hereby finds and determines that the issuance of short-term obligations in the form of one or more series of Commercial Paper Notes, and loan notes with respect to revolving credit agreements, subject to the terms, conditions and limitations hereinafter prescribed, should be approved and authorized at this time; and

WHEREAS, the Board hereby finds and determines that the authorization and establishment of the Program to permit the issuance of Commercial Paper Notes thereunder, and the adoption of this Order, are in the best interests of the residents of the District, now, therefore,

BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE NORTH EAST INDEPENDENT SCHOOL DISTRICT:

ARTICLE I

DEFINITIONS

SECTION 1.1 DEFINITIONS. Unless the context shall indicate a contrary meaning or intent, the terms below defined, for all purposes of this Order or any Order amendatory or supplemental hereto, shall be construed, are used and are intended to have the following meanings, to-wit:

"Act" shall mean Chapter 1371, as amended, Texas Government Code.

"Authorization" shall mean, collectively, the authority to issue $482,990,000 in unlimited tax school building bonds to finance the costs of any of the Eligible Projects approved by the voters of the District at the Election.

"Authorized Official" shall mean any of the President, Board of Trustees, the Vice President, Board of Trustees, the Secretary, Board of Trustees, the Superintendent of Schools, the Chief Financial Officer, and the Executive Director of Finance & Accounting of the District, including any successor thereto or person holding such position on an interim basis.

"Available Commitment" shall mean the aggregate liquidity commitment available in support of Notes of a particular series at any time under the terms of a Credit Agreement at such time valid and then in effect (and which includes, initially, the Initial Credit Agreements).

"Bank" shall mean initially (and as applicable) JPMorgan Chase Bank, National Association, as the party that has executed and delivered the Series A Agreement and the Series B Agreement, and thereafter (i) an obligated financial institution under a substitute or additional Credit Agreement entered into under Section 2.16 hereof, or (ii) in the event that the District has contracted with a syndicate of financial institutions under a single Credit Agreement (including the addition of a financial institution to either Initial Credit Agreement), such syndicate of financial institutions, the financial institution identified as the representative or agent of such syndicate of financial institutions, or any individual financial institution that is a part of such syndicate, as applicable or as identified by an Authorized Official.

"Board" shall mean the Board of Trustees of the District.

"Bond Counsel" shall mean any firm or firms of nationally recognized bond counsel selected by the Board on behalf of the District.

"Bonds" shall mean unlimited tax bonds of the District issued to refund/refinance any of the then-currently outstanding Notes pursuant to authority granted by Chapter 45, the Act, and Chapter 1207.

"Business Day" shall mean any day (i) when banks are not required or authorized by law or executive order to be closed in San Antonio, Texas or New York, New York, (ii) when the New York Stock Exchange is not required or authorized by law or executive order to be closed, (iii) other than a Saturday or Sunday and (iv) (A) with respect to the Series A Agreement only, when banks are not required or authorized by law or executive order to be closed in the state in which the office of the Bank at which a Notice of Loan (as defined in the Series A Agreement) is to be presented under the Series A Agreement and (B) with respect to the Series B Agreement only, when used in in relation to Notes referencing SOFR (as defined in the Series B Agreement) and any interest rate settings, fundings, disbursements, settlements or payments of any such Series B Notes referencing SOFR or any other dealings of such Series B Notes referencing SOFR, the term "Business Day" shall also exclude any day which is not a U.S. Government Securities Business Day (as defined in the Series B Agreement). Any payments required hereunder to be made on any day which is not a Business Day may be made instead on the next succeeding Business Day, and no interest shall accrue on such payments in the interim.

"Calculation Agent" shall mean JPMorgan Chase Bank, National Association, as the "Calculation Agent" under the Series B Agreement or any successor thereto, or such other entity serving the role of calculation agent for the purpose of calculating, from time to time, the applicable interest rate on Notes directly purchased by a purchaser (which may include a Bank) under any Credit Agreement.

"Code" shall mean the Internal Revenue Code of 1986, as amended, and when reference is made to a particular section thereof, the applicable Treasury Regulations from time to time promulgated or proposed thereunder.

"Commercial Paper Notes", "Note", or "Notes" shall mean a note or notes of a particular series issued pursuant to the provisions of this Order, having the terms and characteristics specified in Section 2.2 hereof and in the form described in Section 2.6 hereof and including, initially, the Series A Notes and the Series B Notes.

"Chapter 45" shall mean Chapter 45, as amended, Texas Education Code.

"Chapter 1207" shall mean Chapter 1207, as amended, Texas Government Code.

"Credit Agreement" shall mean a loan agreement, revolving credit agreement, note purchase agreement, agreement establishing a line of credit, letter of credit, reimbursement agreement, insurance contract, commitments to purchase any debt, purchase or sale agreements, interest rate swap agreements, or commitments or other contracts or agreements authorized, recognized and approved by the Board as a Credit Agreement in connection with the authorization, issuance, security, or payment of the Notes, and which includes the Initial Credit Agreements.

"Dealer" or "Dealers" shall initially mean Morgan Stanley & Co. LLC, as the counterparty to the Dealer Agreement dated April 13, 2026 (but effective as of April 30, 2026) attached hereto

as Exhibit C and relating to any series of Notes (and initially relating only to the Series A Notes), and any other nationally recognized commercial paper dealer or co-dealer hereafter selected by the District to serve in such capacity with respect to any series of Notes.

"Dealer Agreement" shall mean the agreement, by and among the District and the Dealer as approved, authorized, confirmed and ratified pursuant to Section 3.4, substantially in the form and substance attached hereto as Exhibit C, as amended, supplemented or otherwise modified from time to time in accordance with its terms, or any similar agreement with a substitute or successor Dealer or Dealers.

"Depository" shall mean one or more official depository banks of the Board.

"District" shall mean the North East Independent School District.

"DTC" shall mean The Depository Trust Company, New York, New York, and its successors and assigns.

"Election" shall mean the election held in the District on November 4, 2026.

"Eligible Investments" shall mean any or all of the authorized investments described in the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, in which the District may purchase, sell and invest its funds and funds under its control or any other authorized investments as provided by the laws of the State of Texas.

"Eligible Projects" shall mean (i) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities, including District-wide renovations, additions, safety and security improvements, roof and HVAC replacements, and technology infrastructure improvements, and the purchase of new school buses and vehicles, (ii) acquiring and updating instructional technology equipment, and (iii) designing, constructing, renovating, improving, upgrading, updating, expanding, acquiring, and equipping athletic facilities in the District, including the athletic facilities at the Blossom Athletic Center (the North East Baseball Complex, the Blossom Tennis Center, the East and West Soccer Fields, the Jimmy Littleton Gymnasium, and a new athletic storage facility), the athletic facilities at the North East Sports Park, and the District's Softball Complex on Judson Road, as authorized by the November 4, 2025 Election and as provided in Chapter 45.

"Excess Earnings" shall mean the excess and any income attributable to such excess described in section 148(f)(2) of the Code.

"Event of Default" shall mean any event of default as defined in Section 5.1 of this Order.

"Fee Letter" shall have the meaning ascribed to such term in any Credit Agreement and, initially, the respective Fee Letter, if any, described in each Initial Credit Agreement, as the same may be amended, restated, supplemented or otherwise modified from time to time by written instrument executed by the District and the related Bank.

"Fiscal Year" shall mean the fiscal year used by the District, now being the period of time beginning on July 1 and ending on June 30 of the next calendar year.

"Government Securities" shall mean (i) direct noncallable obligations of the United States, including obligations that are unconditionally guaranteed by, the United States of America; (ii) noncallable obligations of an agency or instrumentality of the United States, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; (iii) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date the governing body of the issuer adopts or approves the proceedings authorizing the issuance of refunding bonds, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent; or (iv) any additional securities and obligations hereafter authorized by the laws of the State of Texas as eligible for use to accomplish the discharge of obligations such as the Notes.

"Holder" or "Noteholder" shall mean the registered owner of any Note as shown on the registration books maintained by the Registrar, but if a Note is not in registered form, such terms shall mean any person, firm, association, or corporation who is in possession of any Note drawn, issued or endorsed to such person, firm, association or corporation or to the order of such person, firm, association or corporation or to bearer or in blank.

"Initial Credit Agreement" or "Initial Credit Agreements", whether generally referred to individually or together, as applicable, shall mean the Series A Agreement and the Series B Agreement, as from time to time amended restated, or supplemented or otherwise modified by written instrument executed by the District and the related Bank, or a substitute Credit Agreement provided in lieu of either of the foregoing in accordance with the provisions of Section 2.16 hereof.

"Issuing and Paying Agent", "Paying Agent/Registrar" or "Registrar" shall mean any agent appointed pursuant to Section 2.2 hereof, or any successor to such agent.

"Issuing and Paying Agency Agreement" shall mean the Issuing and Paying Agency Agreement, dated as of April 13, 2026 (but effective as of April 30, 2026), between the District and the Issuing and Paying Agent, initially relating to the Series A Notes, approved and authorized to be entered into by Section 3.3 hereof, as from time to time amended or supplemented, or any subsequent agreement entered into with any Issuing and Paying Agent regarding any series of Notes.

"Loan" shall mean each loan and term loan made under and subject to the conditions set forth in any Credit Agreement.

"Loan Note" shall mean the promissory note or notes issued pursuant to any Credit Agreement as evidence of loans and/or term loans made pursuant to any such Credit Agreement, to the extent required thereunder and having the characteristics contained therein and issued in

accordance therewith, as the same shall initially be delivered pursuant to the initial Credit Agreement.

"Master Note" shall mean that form of Note relating to a particular series of Notes issued in book-entry form only and registered in the name of Cede & Co., as nominee of DTC or another securities depository pursuant to Section 6.11 hereof which are intended to evidence the District's aggregate obligations under all Notes of such particular series that are issued in book-entry form (and which relates, initially, only to the Series A Notes).

"Maximum Interest Rate" shall mean the lesser of 10% and the maximum net effective interest rate permitted by law to be paid on obligations issued or incurred by the District in the exercise of its borrowing powers (currently prescribed by Chapter 1204, as amended, Texas Government Code, or any successor provision); provided however, that the 10% limitation described above shall not relate to Loans and other obligations arising under Credit Agreements (including Loan Notes) or Notes directly purchased by a Bank pursuant to a Credit Agreement (including, initially, the Series B Agreement).

"Maximum Maturity Date" shall mean the thirtieth (30^{th}) anniversary of the date of passage of this Order.

"Note Construction Fund" shall mean the fund so designated in Section 2.12 hereof.

"Note Payment Fund" shall mean the fund so designated in Section 2.10 hereof.

"Outstanding" shall mean, as of the date of determination, all Notes theretofore delivered under this Order, except:

(1) Notes theretofore canceled and delivered to the District or delivered to the Issuing and Paying Agent for cancellation;

(2) Notes upon transfer of or in exchange for and in lieu of which other Notes have been delivered pursuant to this Order; and

(3) Notes under which obligations of the District have been released, discharged or extinguished in accordance with the terms thereof.

"Project Costs" shall mean all costs and expenses incurred in relation to Eligible Projects, including without limitation design, planning, engineering and legal costs, acquisition costs of land, interests in land, right-of-way and easements, construction costs, costs of machinery, equipment, and other capital assets incident and related to any of the Eligible Projects, financing costs, including interest during construction and thereafter, underwriter's discount and/or fees, legal, financial, and other professional services, and reimbursement for such Project Costs attributable to Eligible Projects incurred prior to the issuance of any Notes.

"Series A Agreement" shall mean the initial Credit Agreement between the District and the Bank relating to those Commercial Paper Notes issued as Series A Notes, as approved and

authorized pursuant to Section 2.15, as from time to time amended restated, supplemented or otherwise modified by written instrument executed by the District and the related Bank.

"Series A Notes" shall mean that series of Commercial Paper Notes designated "North East Independent School District Unlimited Tax Commercial Paper Notes, Series A".

"Series B Agreement" shall mean the initial Credit Agreement between the District and the Bank relating to those Commercial Paper Notes issued as Series B Notes, as approved and authorized pursuant to Section 2.15, as from time to time amended restated, supplemented or otherwise modified by written instrument executed by the District and the related Bank.

"Series B Notes" shall mean that series of Commercial Paper Notes designated "North East Independent School District Unlimited Tax Commercial Paper Notes, Series B".

"Term Loans" shall mean the unpaid principal amount of the Loans that are converted to "term loans" pursuant to a Credit Agreement.

SECTION 1.2 CONSTRUCTION OF TERMS UTILIZED IN THIS ORDER. If appropriate in the context of this Order, words of the singular number shall be considered to include the plural, words of the plural number shall be considered to include the singular, and words of the masculine, feminine or neuter gender shall be considered to include the other genders.

ARTICLE II

ESTABLISHMENT OF PROGRAM; AUTHORIZATION OF NOTES

SECTION 2.1 GENERAL AUTHORIZATION. Pursuant to authority conferred by and in accordance with the provisions of the Constitution and laws of the State of Texas, particularly the Act, Chapter 45, Chapter 1207 and the Election, a program of interim financing (the *Program*) is hereby established under which Commercial Paper Notes in one or more series (and, initially, in two series) shall be and are hereby authorized to be issued in an aggregate principal amount at any one time outstanding not to exceed ONE HUNDRED MILLION DOLLARS ($100,000,000), to be designated and bear the title of "NORTH EAST INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX COMMERCIAL PAPER NOTES", and additionally distinguished alphabetically and by series (initially, as *SERIES A* and *SERIES B*, respectively) and in the form provided in Section 2.6 hereof, for the purpose of financing Project Costs of Eligible Projects; to refinance, renew or refund Notes issued pursuant to the provisions hereof and any Loan Notes issued pursuant to a Credit Agreement; and the Loan Notes shall be and are hereby authorized to be issued in the aggregate principal amount of ONE HUNDRED MILLION DOLLARS ($100,000,000), plus requisite interest coverage, at any one time Outstanding for the purpose of evidencing Loans to pay the principal of and (as applicable) interest on the Notes of any particular series; all in accordance with and subject to the terms, conditions and limitations contained herein and in any Credit Agreement from time to time in effect and, initially, the Initial Credit Agreements. For purposes of this Section 2.1, any portion of Outstanding Notes to be paid from money on irrevocable deposit in the Note Payment Fund and

from the available proceeds of Notes or Bonds on the day of calculation shall not be considered Outstanding. The authority to issue Notes from time to time under the provisions of this Order shall exist until the Maximum Maturity Date, regardless of whether prior to the Maximum Maturity Date there are at any time no Notes outstanding. The designation of the Notes shall be made in accordance with the requirements of Section 2.4 and the instructions to the Issuing and Paying Agent as described in Section 3.1 hereof.

SECTION 2.2 TERMS APPLICABLE TO NOTES - GENERAL. Subject to the limitations contained herein, Notes herein authorized shall be dated as of their date of issuance or prior thereto, but within 30 days of the date of issuance (the *Note Date*), as determined by an Authorized Official; shall bear no interest or bear interest at such rate or rates per annum computed on the basis of either actual days elapsed or twelve 30-day months whichever is applicable, and on a 365-day or 366-day year, or a 360-day year, whichever is applicable (but in no event in any case to exceed the Maximum Interest Rate in effect on the date of issuance thereof) as may be determined by an Authorized Official (pursuant to and by operation of the applicable terms of this Order), and all Notes authorized herein shall mature on or prior to the Maximum Maturity Date.

Subject to the limitations contained herein, the District reserves the right and has delegated to the designated Authorized Officials the ability to enter into and perform the Initial Credit Agreements and/or one or more future Credit Agreements, each with a single bank provider or a syndicate of banks acting through a single administrative agent. Such Initial Credit Agreement or additional Credit Agreement may provide liquidity support for Notes or purchase thereof, whether directly purchased by a bank or publicly offered on the municipal capital markets, and shall be evidenced by a credit agreement substantially in the applicable form attached hereto as Exhibit A.

Subject to the Maximum Interest Rate limitation, Notes authorized to be issued hereunder without a fixed numerical rate of interest for the term thereof shall bear interest in accordance with a clearly stated formula or method of calculation as determined pursuant to the terms of a Credit Agreement, and such formula or method of calculation shall be set forth in such Credit Agreement.

Notes issued hereunder may contain terms and provisions for the payment, redemption or prepayment thereof prior to maturity, subject to any applicable limitations contained herein, as shall be set forth in the related Credit Agreement.

As determined from time to time by an Authorized Official in accordance with Section 2.3 and Section 3.1 hereof for each issuance of Commercial Paper Notes, Commercial Paper Notes shall be issued by series; provided, however, that, unless specifically determined otherwise by an Authorized Official, Commercial Paper Notes issued to refund outstanding Commercial Paper Notes shall be of the same series and designated status for purposes of federal income tax treatment as the Commercial Paper Notes to be refunded, with no further action required by an Authorized Official.

Subject to applicable terms, limitations and procedures contained herein, Notes may be sold in such manner at public or private sale and at a price and under terms (within the interest rate and yield restrictions provided herein) as an Authorized Official shall approve at the time of the sale thereof; provided, however, that no price shall result in the realization of Note proceeds

exceeding the Authorization or the amount of Notes authorized hereunder and under and pursuant to applicable law.

The Notes shall be issued in registered form, without coupons. The principal of, premium, if any, and interest on the Notes shall be payable in lawful money of the United States of America, without exchange or collection charges to the Holder of the Note; subject to Section 6.11 hereof, the principal thereof to be payable upon presentation and surrender of the Note at the corporate trust office of the Paying Agent/Registrar and interest thereon to be payable to the registered owner thereof either (i) by check sent by United States mail, first class, postage prepaid, to the address of the registered owner appearing on the Registration Books of the District maintained by the Paying Agent/Registrar or (ii) by such other method, acceptable to the Paying Agent/Registrar requested by the registered owner, but interest on a Note registered to bearer shall be payable only upon presentation of the Note at the principal corporate trust office of the Paying Agent/Registrar; provided, that Loan Notes and Series B Notes shall be payable as set forth in the related Credit Agreement.

The selection and appointment of Zions Bancorporation, National Association to serve as Issuing and Paying Agent, Paying Agent/Registrar and Registrar for the Series A Notes, is hereby confirmed; the selection and appointment of JPMorgan Chase Bank, National Association, as the Bank under the Series B Agreement, to serve as Issuing and Paying Agent, Paying Agent/Registrar and Registrar for the Series B Notes, is also hereby confirmed. The District covenants to maintain and provide a Paying Agent/Registrar at all times while the Notes are outstanding, which shall be a national or state banking association or corporation or trust company organized and doing business under the laws of the United States of America or of any State and authorized under such laws to exercise trust powers. The District may appoint separate Paying Agent/Registrars for Notes, on the basis of Series of Notes. Should a change in the Paying Agent/Registrar for a series of Notes occur, the District, acting through the Authorized Official, agrees to promptly cause a written notice thereof to be (i) sent to each registered owner of the Notes of such series then Outstanding by United States mail, first class, postage prepaid and (ii) published in a financial publication, journal or reporter of general circulation among securities dealers in the city of New York, New York (including, but not limited to, *The Bond Buyer* and *The Wall Street Journal*), or in the State of Texas (including, but not limited to, *The Texas Bond Reporter*) once during each calendar week for at least two calendar weeks; provided, however, the publication of such notice shall not be required if notice is sent to each registered owner of the Notes of such series or if the change results from the District's entering into a Credit Agreement in substitution for a Credit Agreement under which a Bank previously served as Paying Agent/Registrar. Such notice shall give the address of the successor Paying Agent/Registrar. A successor Paying Agent/Registrar may be appointed without the consent of the Holders.

The District and the Paying Agent/Registrar shall treat the registered owner thereof as the absolute owner of any Note for the purpose of receiving payment thereof and for all purposes, and the District and the Paying Agent/Registrar shall not be affected by any notice or knowledge to the contrary.

SECTION 2.3 AUTHORIZED OFFICIAL. So long as any Notes remain Outstanding or any Credit Agreement is in effect, each Authorized Official is hereby appointed, to act for and

on behalf of the District, and authorized to carry out and discharge the purposes, duties and obligations set forth in the Order, any Issuing and Paying Agency Agreement, Credit Agreement and Dealer Agreement and for the purpose of renewing, extending, modifying or substituting any such agreement or entering into any other Credit Agreement upon the terms and conditions set out therein and herein. Each Authorized Official shall have the authority to appoint (subject to the requirements of this Order and any Issuing and Paying Agency Agreement, Credit Agreement, and Dealer Agreement) any one or more persons to act on behalf of the Authorized Official. Any such appointment(s) shall be in writing and shall be delivered to any Dealer, Issuing and Paying Agent and Bank within a reasonable time after such appointment(s).

SECTION 2.4 COMMERCIAL PAPER NOTES. Under and pursuant to the authority granted hereby and subject to the limitations contained herein, (i) Notes in the form of Commercial Paper Notes to be designated "North East Independent School District Unlimited Tax Commercial Paper Notes", initially issued as "Series A" and "Series B" and for which liquidity support or direct purchase is initially provided under the applicable Initial Credit Agreement, are hereby authorized to be issued and sold and delivered from time to time in such principal amounts, as determined by an Authorized Official in denominations of (x) for Series A Notes, $100,000 and integral multiples of $1,000 in excess thereof and (y) for Series B Notes, $250,000 and integral multiples of $5,000 in excess thereof, alphabetically marked to indicate series, and numbered in ascending consecutive numerical order in the order of their issuance and to mature and become due and payable on such dates as an Authorized Official shall determine at the time of sale; provided, however, that no Commercial Paper Note shall (i) mature after the Maximum Maturity Date, (ii) mature after the Business Day prior to the stated date of termination of any Credit Agreement then-relating to such series of Commercial Paper Notes, or (iii) have a term in excess of two hundred seventy (270) days. Interest, if any, on Commercial Paper Notes shall be payable, with principal, at maturity.

SECTION 2.5 LOAN NOTE. Under and pursuant to authority granted hereby and subject to the limitations contained herein and in any Credit Agreement, one or more Loan Notes relating to a series of Commercial Paper Notes, any such Loan Note to be designated "North East Independent School District Credit Agreement Loan Note", and further designated by series to conform to the series of related Notes (and to reference the Bank under the applicable Credit Agreement), are hereby authorized and approved in accordance with the terms of this Order and the Agreement. The form of such initial Loan Note shall be as set forth in each applicable Credit Agreement.

SECTION 2.6 FORM OF NOTES. The Notes and the Certificate of Authentication to appear on each of the Notes shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions and other variations as are permitted or required by this Order and may have such letters, numbers or other marks of identification (including identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Banker Association) and such legends (including insurance companies) and endorsements thereon as may, consistent herewith, be approved by an Authorized Official. Any portion of the text of any Notes may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Notes. The form of Series B Notes shall be as set forth in each applicable Credit Agreement.

The Notes shall be printed, lithographed, or engraved or produced in any other similar manner, or typewritten, all as determined and approved by an Authorized Official.

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(a) Form of Series A Notes.

UNITED STATES OF AMERICA
STATE OF TEXAS
COUNTY OF BEXAR
NORTH EAST INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX COMMERCIAL PAPER NOTE, SERIES A

No.: _____ Note Date:_____
Principal Amount: _____ Maturity Date: _____
Interest to Maturity: _____ Number of Days: _____
Due at Maturity: _____ Interest Rate[1] (%): _____

Owner: _____

The North East Independent School District (the *District*), FOR VALUE RECEIVED, hereby promises to pay, solely from the sources hereinafter identified and as hereinafter stated, to the order of the Owner specified above on the Maturity Date specified above, the Principal Amount specified above and to pay interest, if any, on said Principal Amount at said Maturity Date, from the above specified Note Date to said Maturity Date at the per annum Interest Rate shown above (computed on the basis of [actual days elapsed and a 365-day or 366-day year, as may be applicable] [30/360]); both principal and interest on this Note (defined herein) being payable in lawful money of the United States of America at the principal corporate trust office of the Issuing and Paying Agent executing the "Certificate of Authentication" endorsed hereon and appearing below, or its successor. No interest will accrue on the Principal Amount hereof after said Maturity Date.

This Note is one of an issue of commercial paper notes (the *Notes*) of the indicated series, which, together with other forms of short-term obligations[, including the below referenced Loan Note[2]], has been duly authorized and issued in accordance with the provisions of an order passed by the Board of the District on April 13, 2026 (the *Order*), for the purpose of financing Project Costs of Eligible Projects and to refinance, renew or refund certain obligations described in the Order, all in accordance and in strict conformity with the provisions of the Act, Chapter 45, Chapter 1207, and the Election.

This Note, together with the other Notes, is payable from and ratably secured by (i) the proceeds from (a) the sale of other Notes issued for such purpose and (b) the sale of a series or issue of Bonds to be issued by the District for such purpose, [(ii) Loans under and pursuant to a _____ (the *Credit Agreement*), dated as of _____, 20__, but effective as of _____ _, 20__, between the District and _____ (the *Bank*), as amended, revised, supplemented, or substituted, pursuant to which the Bank has agreed to provide liquidity support to the Notes subject

[1] If rate of interest calculated pursuant to a formula, the word "Variable" is placed in the blank rather than a numeric interest rate and this footnote is completed with the applicable formula.

[2] Delete, if not applicable.

to the terms and conditions set forth therein, which Loans are to be evidenced by a Loan Note; provided, however, that the proceeds of Loans may only be used to pay the principal of and (as applicable) interest on the Notes)[3]], (iii) from the proceeds of an unlimited ad valorem tax levied, without limit as to rate or amount by the District upon all taxable property within its boundaries, and (iv) amounts in certain funds established pursuant to the Order.

This Note, together with the other Notes authorized to be issued and from time to time outstanding under the Order, is payable solely from the sources hereinabove identified securing the payment thereof. The Holder hereof shall never have the right to demand payment of this obligation from any other sources or properties of the District except as identified above.

Reference is hereby made to the Order, a copy of which may be obtained upon request to the District, and to all of the terms and provisions the Holder hereof by acceptance of this Note hereby assents, including, but not limited to, provisions relating to definitions of capitalized terms used herein without definition, the description of and the nature of the security for the Notes, and the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders of the Notes.

It is hereby certified and recited that all acts, conditions and things required by law and the Order to exist, to have happened and to have been performed precedent to and in the issuance of this Note, do exist, have happened and have been performed in regular and in due time, form and manner as required by law and that the issuance of this Note, together with all other Notes, is not in excess of the principal amount of Notes permitted to be issued under the Order.

This Note is, and has all the qualities and incidents of, a negotiable instrument under the laws of the State of Texas.

This Note shall not be entitled to any benefit under the Order or be valid or become obligatory for any purpose until this Note shall have been authenticated by the execution by the Issuing and Paying Agent of the Certificate of Authentication hereon.

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[3] Information to be completed based on Credit Agreement in effect at the time Notes are issued and if Credit Agreement provides for open market liquidity (rather than direct placement of Notes to Bank thereunder). Renumber based on applicability of this provision.

IN TESTIMONY WHEREOF, the District has authorized and caused this Note to be executed on its behalf by the manual or facsimile signature of the President of the Board of Trustees and countersigned by the manual or facsimile signature of the Secretary of the Board of Trustees and its official seal to be impressed or a facsimile thereof to be printed hereon.

COUNTERSIGNED:

Secretary, Board of Trustees North East Independent School District	President, Board of Trustees North East Independent School District

(SEAL)

ISSUING AND PAYING AGENT'S
CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes delivered pursuant to the within mentioned Order.

_____,
as Issuing and Paying Agent

By_____
Authorized Signatory

ASSIGNMENT

FOR VALUE RECEIVED the undersigned hereby sells, assigns, and transfers unto (print or typewrite name, address, and zip code of transferee): _____

(Social Security or other identifying number: _____)
the within Note and all rights thereunder, and hereby irrevocably constitutes and appoints _____

attorney to transfer the within Note on the books kept for registration thereof, with full power of substitution in the premises.

DATED: _____

Signature Guaranteed:

_____ _____

NOTICE: The signature of the registered owner must be guaranteed by a member of the New York Stock Exchange or a commercial bank or trust company.	NOTICE: The signature on this Assignment must correspond with the name of the registered owner as it appears upon the face of the within Note in every particular.

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SECTION 2.7 EXECUTION - AUTHENTICATION.

(a) The Notes shall be executed on behalf of the District by the President, Board of Trustees and attested by the Secretary, Board of Trustees under its seal reproduced or impressed thereon, all as provided in Section 2.6 hereof. The signature of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who are or were the proper officers of the District on the date of passage of this Order shall be deemed to be duly executed on behalf of the District, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of the initial sale and delivery of Notes authorized to be issued hereunder and with respect to Notes delivered in subsequent sales, exchanges and transfers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

(b) No Note shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Note a Certificate of Authentication substantially in the form provided in Section 2.6 hereof, executed by the Issuing and Paying Agent or the Paying Agent/Registrar by manual signature, and such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified or registered and delivered.

SECTION 2.8 NOTES MUTILATED, LOST, DESTROYED OR STOLEN. If any Note shall become mutilated, the District, at the expense of the Holder of said Note, shall execute and deliver a new Note of like tenor and number in exchange and substitution for the Note so mutilated, but only upon surrender to the District of the Note so mutilated. If any Note shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the District and, if such evidence be satisfactory to it and indemnity satisfactory to it shall be given, the District, at the expense of the Holder, shall execute and deliver a new Note of like interest rate and tenor in lieu of and in substitution for the Note so lost, destroyed or stolen. Neither the District nor the Issuing and Paying Agent shall be required to treat both the original Note and any duplicate Note as being Outstanding for the purpose of determining the principal amount of Notes which may be issued hereunder, but both the original and the duplicate Note shall be treated as one and the same instrument.

SECTION 2.9 NEGOTIABILITY, REGISTRATION AND EXCHANGEABILITY. The Notes issued hereunder shall be, and shall have all of the qualities and incidents of, a negotiable instrument under the laws of the State of Texas, and each successive Holder, in accepting any of the Notes, shall be conclusively deemed to have agreed that such Notes shall be and have all of the qualities and incidents of a negotiable instrument under the laws of the State of Texas. The registration books relating to the registration, payment and transfer or exchange of each series of Notes (collectively, the *Registration Books*) shall at all times be kept and maintained by the District at the principal corporate trust office of the Registrar therefor, and such Registrar shall obtain, record and maintain in the Registration Books the name and address of each registered owner of the Notes, except for Notes registered to bearer, issued under and pursuant to the provisions of this Order. Each Registrar shall provide the District with a copy of the Registration Books and shall thereafter provide the District (at the notice address for the District set forth in the Issuing and Paying Agent Agreement between the District and the Registrar or a Credit Agreement, as applicable) with copies of any changes in the Registration Books within one (1) business day

after such change. Any Note may, in accordance with its terms and the terms hereof, be transferred or exchanged for Notes of like interest rate, tenor, series, and character and of other authorized denominations upon the Registration Books by the Holder in person or by his duly authorized agent, upon surrender of such Note to the applicable Registrar for cancellation, accompanied by a written instrument of transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to such Registrar. Upon surrender for transfer of any Note at the principal corporate trust office of a Registrar, such Registrar shall register and deliver, in the name of the designated transferee or transferees (or to bearer, as appropriate), one or more new Notes executed on behalf of, and furnished by, the District of like tenor, series, and character and of authorized denominations and having the same maturity, bearing interest at the same rate and of a like aggregate principal amount as the Note or Notes surrendered for transfer. Furthermore, Notes may be exchanged for other Notes of like tenor, series, and character and of authorized denominations and having the same maturity, bearing the same rate of interest and of like aggregate principal amount as the Notes surrendered for exchange, upon surrender of the Notes to be exchanged at the principal corporate trust office of the applicable Registrar. Whenever any Notes are so surrendered for exchange, the applicable Registrar shall register and deliver new Notes of like tenor, series, and character as the Notes exchanged, executed on behalf of, and furnished by, the District to the Holder requesting the exchange. The District and the applicable Registrar may charge the Holder a sum sufficient to reimburse them for any expenses incurred in making any transfer or exchange after the first such transfer or exchange for such Holder. The applicable Registrar or the District may also require payment from the Holder of a sum sufficient to cover any tax, fee or other governmental charge that may be imposed in relation thereto. Such charges and expenses shall be paid before any such new Note shall be delivered. The District and the applicable Paying Agent shall not be required (i) to issue, transfer or exchange any Note during a period beginning at the opening of business on the 15th day next preceding either any maturity date of such Note or any date of possible selection of such Note or parts thereof to be redeemed and ending at the close of business on the interest payment date or day on which the applicable notice of redemption is given, or (ii) to transfer or exchange any Note selected, called or being called for redemption in whole or in part. New Notes delivered upon any transfer or exchange shall be valid special obligations of the District, evidencing the same debt as the Notes surrendered by this Order and shall be entitled to all of the security and benefits hereof to the same extent as the Notes surrendered. The District reserves the right to change the above registration and transferability provisions of the Notes at any time on or prior to the delivery thereof in order to comply with applicable laws and regulations of the United States in effect at the time of issuance thereof. No purchase, sale, or transfer of any Notes, as herein provided, nor the setting of interest rates in respect thereof, shall constitute or be construed to be the extinguishment of any security or the indebtedness represented thereby or the reissuance of any security or the refunding of any indebtedness represented thereby.

SECTION 2.10 NOTE PAYMENT FUND.

(a) There is hereby created and established by the District a separate and special fund to be designated the "North East Independent School District Note Payment Fund" (the *Note Payment Fund*). The District shall cause money on deposit in the Note Payment Fund to be used to pay principal of, premium, if any, and interest on Notes at the respective interest payment, maturity, repayment, or redemption dates of each issue of such Notes as provided herein and in

the related Credit Agreement, as applicable, on each date on which the repayment of any Loans made pursuant to any Credit Agreement (evidenced by a Loan Note) are payable as required by such Credit Agreement.

(b) Within the Note Payment Fund, there is hereby created with respect to each series of Notes, and to be established with the applicable Issuing and Paying Agent or a Depository, a separate account relating to each series of Notes, each to be designated "North East Independent School District Note Payment Account" and as further designated by series (collectively, the *Note Payment Accounts*). The District shall cause money on deposit in each Note Payment Account to be used to pay principal of, premium, if any, and interest on Notes of the applicable series at the respective interest payment, maturity, repayment, or redemption dates of each issue of such Notes as provided herein and on each date on which the repayment of any Loans made pursuant to any Credit Agreement (evidenced by a Loan Note) are payable as required by such Credit Agreement, including (initially and with respect to the separate Note Payment Account established with respect to each of the Series A Notes and the Series B Notes) the Initial Credit Agreements.

(c) Pursuant to Section 3.2(a) hereof, all proceeds of Notes (other than Notes initially issued to pay Project Costs of Eligible Projects), and pursuant to applicable provision of any Credit Agreement at such time effective, all proceeds of Loans (except proceeds of Loans retained by the Bank to repay all or any part of an outstanding Loan), shall be deposited into the applicable Note Payment Account and used to pay the principal of, premium, if any and interest on such series of Notes (provided, however, that the proceeds of Loans pursuant to a Credit Agreement may only be used to pay principal of and (as and if applicable) interest on Notes of the series to which such Credit Agreement relates) and to pay the principal of and interest on any Loan coming due pursuant to the terms of the applicable Credit Agreement.

(d) Additionally, the proceeds from the District's ad valorem tax levied, without limit as to rate or amount, to pay principal of and/or interest on Notes, the Loans, the Loan Notes and all amounts due under any Credit Agreement pursuant to Section 2.11(c) hereof shall be deposited by the District in the Note Payment Fund (for further deposit to the applicable Note Payment Account) on each date on which such obligations are payable to the extent necessary to pay such amounts when due.

(e) Pending the expenditure of money in the Note Payment Fund for authorized purposes, money deposited in said Fund may be invested at the direction of an Authorized Official in Eligible Investments. Any income received from such investments shall be deposited, as received, and held in the Note Payment Fund until used for permitted purposes of amounts held in the Note Payment Fund.

(f) As provided above, the District has hereby initially established separate Note Payment Accounts for each of the Series A Notes and the Series B Notes.

SECTION 2.11 PAYMENTS; PLEDGE.

(a) The Notes and the Loan Notes (and other obligations under any Credit Agreement) are general obligations of the District payable from and secured solely by the funds pledged as

security therefor pursuant to this Section 2.11 and from District's ad valorem tax as described in this Section 2.11(c). The District shall make payments into the Note Payment Fund (for further deposit to the appropriate account therein) from proceeds of Notes or Loans (or from proceeds of the District's ad valorem tax, levied without limit as to rate or amount on taxable property within the District, and which are transferred to the Note Payment Fund pursuant to Section 2.11(d) of this Order in order to pay principal of and interest on the Notes) at such times and in such amounts as are necessary to provide for the full payment of the principal of and the interest on the Notes, the Loans, the Loan Notes and all amounts due under any Credit Agreement when due.

(b) To provide security for the payment of the principal of and interest on the Notes, the Loan Notes, and any other amounts due under any Credit Agreement relating to Notes, as the same shall become due and payable, there is hereby granted a lien on and pledge of, subject only to the provisions of this Order permitting the application thereof for purposes and on the terms and conditions set forth herein:

(i) the proceeds from (a) the sale of Bonds issued for such purpose and (b) the sale of Notes issued pursuant to this Order for such purpose;

(ii) the proceeds from Loans; provided, however, that such Loan proceeds pursuant to the applicable Credit Agreement may be used to pay the principal of and interest on Notes (so long as any such Credit Agreement so permits use of Loan proceeds to pay for interest on Notes); provided, further, however, that proceeds attributable to and derived from borrowings under and pursuant to a Credit Agreement are pledged to, and shall be used to pay, the principal of, premium, if any, and interest on the Notes of the particular series to which such Credit Agreement relates; and

(iii) the amounts held in the Note Payment Fund until the amounts deposited therein are used for authorized purposes; provided, however, that amounts in the respective Note Payment Accounts of the Note Payment Fund attributable to and derived from Loans shall be used only to pay, prior to any application to the payment of the Loan Note, the principal of (but no redemption premium) of the respective series of Notes in full;

and it is hereby resolved and declared that the principal of and interest on the Notes, the Loan Notes, and any other amounts due under a Credit Agreement related to Notes of such series shall be and are hereby equally and ratably secured by and payable from a lien on and pledge of the sources hereinabove identified in clauses (i), (ii), and (iii) subject and subordinate only to the exceptions noted therein.

(c) Pursuant to authority granted by the Constitution and laws of the State of Texas, there shall be levied and there is hereby levied for the current year and for each succeeding year hereafter while any of the Notes, Loans, Loan Notes, or other amounts due under any Credit Agreement remain outstanding and unpaid, an ad valorem tax on each one hundred dollars valuation of taxable property in the District at a rate sufficient, without limit as to rate or amount, to pay the principal of and interest on the Notes, Loans, Loan Notes or other amounts due under any Credit Agreement, full allowance being made for delinquencies and costs of collection, taking into account any available or otherwise unencumbered funds of the District which are on deposit

in the Note Payment Fund established in Section 2.10 and are available to pay debt service on the Notes, Loans, Loan Notes, or other amounts due under any Credit Agreement, if any, incurred in connection with the Notes assuming the Maximum Interest Rate.

(d) The ad valorem tax thus levied shall be assessed and collected each year against all property appearing on the tax rolls of the District most recently approved in accordance with law and the money thus collected shall be deposited by the District as collected into the Note Payment Fund (for further deposit to the Note Payment Accounts therein) and the proceeds of such tax shall be appropriated and applied for the payment of the principal of and interest on the Notes, Loans, Loan Notes, or other amounts due under any Credit Agreement.

(e) Money in all Funds, to the extent not invested as permitted hereunder, shall be secured in the manner prescribed by law for securing funds of the District. Chapter 1208, as amended, Texas Government Code, applies to the District's incurring indebtedness under this Order and the pledge of security granted by the District under this Section, and such pledge is therefore valid, effective and perfected. If Texas law is amended at any time while the indebtedness remains Outstanding under this Order such that the pledge of revenues granted by the District under this Section is to be subject to the filing requirements of Chapter 9, as amended, Business and Commerce Code, then in order to preserve to the Registered Owners and Holders of such indebtedness the perfection of the security interest in said pledge, the District agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, as amended, Texas Business and Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

SECTION 2.12 NOTE CONSTRUCTION FUND.

(a) There is hereby created and established a separate fund hereby designated as the "North East Independent School District Note Construction Fund" (the *Note Construction Fund*), to which shall be deposited the proceeds of Notes issued to pay Project Costs of Eligible Projects. The Note Construction Fund shall be held by the District at a Depository. Money deposited in the Note Construction Fund shall remain therein until from time to time expended to pay for Project Costs of Eligible Projects, and shall not be used for any other purposes whatsoever, except as otherwise provided below, and pending such expenditure, money in the Note Construction Fund may be invested at the direction of an Authorized Official in Eligible Investments. Any income received from such investments (except as otherwise required to be rebated to the United States of America in accordance with the provisions of Section 4.5 hereof) shall be deposited into the Note Construction Fund.

(b) Any amounts on deposit in the Note Construction Fund may be designated by an Authorized Official as eligible to pay interest during construction and thereafter may be transferred from time to time at the direction of an Authorized Official to the credit of the Note Payment Fund for use in accordance with the terms of Section 2.10 hereof. Any amounts remaining in the Note Construction Fund after the payment of all Project Costs shall be paid into the Note Payment Fund (for further deposit to the particular Note Payment Account related to the series of Notes from which such proceeds were derived) and used for the payment of such maturities of the Notes coming due at such times as may be selected by an Authorized Official or for the payment of the

Loan Notes, as the case may be; provided, however, that, in the event there is then in effect multiple Credit Agreements and has been issued multiple series of Notes, such amounts will be used to pay all Loan Notes arising under the Credit Agreement or Credit Agreements, respectively, relating to the series of Notes from which such remaining proceeds were originally derived. In the event no Notes are outstanding and there are no outstanding Loans, any amounts in the Note Construction Fund not anticipated to be needed to pay Project Costs shall be transferred, upon discretion of an Authorized Official, to the District. For the avoidance of doubt, funds held in the Note Construction Fund are not pledged as security for repayment of any Notes or Loan Notes or amounts from time to time owed under any Credit Agreement.

(c) The District hereby authorizes, within the Note Construction Fund and at the direction of an Authorized Official, the creation and establishment of one or more accounts or subaccounts within the Note Construction Fund. Initially, there shall be no individual accounts created within the Note Construction Fund.

SECTION 2.13 CANCELLATION. All Notes which at maturity are surrendered to the applicable Paying Agent/Registrar for the collection of the principal and interest thereon or are surrendered for transfer or exchange pursuant to the provisions hereof shall, upon payment or issuance of new Notes, be canceled by such Paying Agent/Registrar, and such Paying Agent/Registrar forthwith shall transmit to the District a certificate identifying such Notes and that such Notes have been duly canceled and destroyed.

SECTION 2.14 FISCAL AND OTHER AGENTS. In furtherance of the purposes of this Order, the District may from time to time appoint and provide for the payment of such additional fiscal, paying or other agents or trustees as it may deem necessary or appropriate in connection with the Notes.

SECTION 2.15 INITIAL CREDIT AGREEMENT. The Initial Credit Agreements, each of which constitutes a Credit Agreement, initially entered into to provide liquidity support and direct purchase for the applicable series of Notes and substantially in the forms attached hereto as Exhibit A, are hereby approved, and shall be entered into with the respective Bank identified therein. The form of the Loan Note contained in the Series A Agreement is also approved, including the interest rate thereon to be determined as set forth in the Series A Agreement. The form of each Loan Note contained in the Series B Agreement is also approved, including the interest rate thereon to be determined as set forth in the Series B Agreement Each Authorized Official is hereby authorized to select the Bank that is a counterparty to, to negotiate the terms of, and singly execute and deliver each Initial Credit Agreement and any other documents called for thereunder. In addition, the President and Secretary of the Board are hereby authorized to execute and deliver each Loan Note. The Secretary of the Board is authorized to place the District seal on any and all of the foregoing instruments.

No Credit Agreement shall, in the aggregate of all Credit Agreements, provide liquidity support for Notes in excess of $100,000,000 in principal amount, be for a term that exceeds the Maximum Maturity Date, provide for payment of interest on obligations thereunder by the District at a rate that exceeds the Maximum Interest Rate, or require annual payment by the District for liquidity thereunder provided at a commitment fee rate that exceeds [250] basis points times the

amount of liquidity thereunder provided by the Bank that is a counterparty to such Credit Agreement. The District hereby finds that each Initial Credit Agreement is a Credit Agreement hereunder relating, respectively, to the series of Notes identified therein. The payment of the fees identified in the Fee Letter and the other costs, expenses, and taxes described in each Initial Credit Agreement, as well as the timing of such payments, is hereby authorized from funds on deposit in the Note Payment Fund (or within the appropriate Note Payment Account therein, as applicable). When required, any "request for extension" (or other document having similar effect, in accordance with the terms of an Initial Credit Agreement) shall be delivered to each rating agency then providing a rating on Commercial Paper Notes simultaneously with the delivery to the Bank under an Initial Credit Agreement, and the District will promptly provide to each such rating agency a copy of any "notice of extension" (or other document having similar effect, in accordance with the terms of the applicable Initial Credit Agreement) it receives or notice that no extension was given.

The District is hereby authorized to enter into any agreement supplemental to an Initial Credit Agreement with the Bank thereunder, as an Authorized Official may deem appropriate. An Authorized Official, on behalf of the District, may agree with the Bank to add additional banking institutions as a Bank under an Initial Credit Agreement; provided, however, that such action shall not cause the then existing rating by each rating agency then providing a rating on the Notes of an affected series, if any, to be reduced, as evidenced by a letter from the respective rating agency confirming the rating of such Notes prior to such action.

SECTION 2.16 RESERVATION OF RIGHT TO ENTER INTO CERTAIN CREDIT AGREEMENTS. Each Authorized Official is authorized to enter into Credit Agreements, whether as an extension of any existing Credit Agreement, in substitution for any Credit Agreement or in addition to an existing Credit Agreement, in conjunction with the issuance, payment, sale, resale or exchange of Notes (and payment of amounts existing thereunder and as may be evidenced by one or more Loan Notes) may be on a parity with the Notes, subject to the following conditions:

(a) each Credit Agreement must be in substantially the same form as the form of an Initial Credit Agreement approved pursuant to the terms of this Order and attached hereto as Exhibit A;

(b) the maximum amount of liquidity provided pursuant to the terms of any Credit Agreement shall not exceed the Program's capacity (measured as the maximum aggregate principal amount of Notes at any one time Outstanding plus interest thereon at the Maximum Interest Rate for a period not more than 270 days);

(c) the maximum interest rate borne by any obligations owed pursuant to the terms of any Credit Agreement shall not exceed the Maximum Interest Rate;

(d) the maximum term of any Credit Agreement shall not exceed the Maximum Maturity Date; and

(e) a determination by an Authorized Official that entering into any such Credit Agreement shall not result in default or breach of covenants relating to the Program (including the terms of Outstanding Notes or Loan Notes or any then-existing Credit Agreement that remains in effect after the effectiveness of the new or extended Credit Agreement) and that entering into the subject Credit Agreement complies with applicable law.

The foregoing relates to the entry into Credit Agreements subsequent to the District's initial entry into the Initial Credit Agreements, such initial entry being hereby explicitly approved.

ARTICLE III

ISSUANCE AND SALE OF NOTES

SECTION 3.1 ISSUANCE AND SALE OF NOTES.

(a) The Commercial Paper Notes shall be completed and delivered by the applicable Issuing and Paying Agent in accordance with telephonic, computer (electronic mail) or written instructions of an Authorized Official and in the manner specified below and in the Issuing and Paying Agent Agreement or Credit Agreement, as applicable. To the extent such instructions are delivered telephonically, they shall he confirmed in writing (which may be electronically) by an Authorized Official within 24 hours. Said instructions shall specify such principal amounts, Note Dates, dates of issue, maturities, rates of discount or interest, and other terms and conditions which are hereby authorized and permitted to be fixed by an Authorized Official at the time of sale of the Commercial Paper Notes. Such instructions shall include the purchase price of the Commercial Paper Notes and a request that the applicable Issuing and Paying Agent authenticate such Commercial Paper Notes by counter signature of its authorized officer or employee and deliver them to the named purchaser or purchasers thereof upon receipt of payment in accordance with the custom then prevailing in the New York financial market in regard to such Commercial Paper Notes. Such instructions shall also contain provisions representing that all action on the part of the District necessary for the valid issuance of the Commercial Paper Notes then to be issued has been taken, that all provisions of Texas and federal law necessary for the valid issuance of such Commercial Paper Notes with provision for interest exclusion from federal income taxation have been complied with, and that such Commercial Paper Notes in the hands of the Holders thereof will be valid and enforceable obligations of the District according to their terms, subject to the exercise of judicial discretion in accordance with general principles of equity and bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors, rights heretofore or hereafter enacted to the extent constitutionally applicable and that based upon the advice of Bond Counsel, the stated interest on the Commercial Paper Notes is excludable from federal income taxation. Such instructions shall also certify that:

(i) no Event of Default under Section 5.1 hereof has occurred and is continuing as of the date of such Certificate and that the subject Issuing and Paying Agent has not received a "no-issuance" or similar notice under a Credit Agreement then in effect and so applicable relating to a series of Notes then to be issued;

(ii) the District is in compliance with the covenants set forth in Article IV hereof and in any applicable Dealer Agreement as of the date of such instructions;

(iii) the District has been advised by Bond Counsel that the projects to be financed with the proceeds of the Commercial Paper Notes will constitute Eligible Projects, and, further, that the proposed expenditure of the proceeds of such Commercial Paper Notes for such Eligible Projects will not cause the District to be in violation of its covenants set forth in Section 4.5 hereof; and

(iv) the sum of the interest payable on such Commercial Paper Notes will not exceed a yield (calculated on the principal amount of the Commercial Paper Notes on the basis of a 365 or 366-day year or 30/360, as may be applicable, and actual number of days elapsed) to the maturity date of such Commercial Paper Notes in excess of the Maximum Interest Rate in effect on the date of issuance of such Commercial Paper Notes.

(b) Any Loan Note, as applicable, shall be or have been delivered to the applicable Bank, as applicable, and indebtedness may be incurred thereunder in accordance with the terms of the applicable Credit Agreement.

SECTION 3.2 PROCEEDS OF SALE OF NOTES. The proceeds of the sale of any Notes (net of all expenses and costs of sale and issuance) shall be applied for any or all of the following purposes as directed by an Authorized Official:

(a) Proceeds to be used for the payment and redemption of outstanding Notes at or before maturity and the repayment of any Loans (evidenced by the applicable Loan Note) or other amounts due under the applicable Credit Agreement shall be deposited in the Note Payment Fund (for further deposit to the applicable Note Payment Account therein), and expended therefor; and

(b) Proceeds to be used to pay Project Costs of Eligible Projects shall be deposited to the Note Construction Fund (and, if necessary or required, further deposited to an account within such Fund) and used and applied in accordance with the provisions of Section 2.12 hereof.

SECTION 3.3 ISSUING AND PAYING AGENCY AGREEMENT. The Issuing and Paying Agency Agreement, attached hereto as Exhibit B, is hereby approved as to form and content, and each Authorized Official is hereby authorized and directed to execute the same for and on behalf of the District and, in connection with the execution thereof, approve such changes, additions, or amendments thereto as may be necessary and proper to carry out the purpose and intent of such Issuing and Paying Agency Agreement. The District, is hereby authorized to enter into any supplemental agreements with any Issuing and Paying Agent (including a successor to any initial Issuing and Paying Agent) in order to implement the functions of Paying Agent/Registrar or Registrar with respect to any series of Notes and to have any Authorized Official execute and deliver this document, and any other documents called for thereunder, for and on behalf of the District and the Board. Initially, the District is entering into an Issuing and Paying Agency Agreement relating to the Series A Notes; the Bank under the Series B Agreement will serve as the Issuing and Paying Agent for the Series B Notes without executing a separate Issuing

and Paying Agency Agreement. Certain duties of the Issuing and Paying Agent for the Series B Notes shall be set forth in the the Series B Agreement.

SECTION 3.4 DEALER AGREEMENT. The Dealer Agreement in the form attached hereto as Exhibit C with the Dealer pertaining to the sale, from time to time, of the Commercial Paper Notes or the purchase of Commercial Paper Notes from the District, all for a fee as set forth in the Dealer Agreement, is hereby ratified and approved as to form and content, and each Authorized Official is hereby authorized and directed to execute the same for and on behalf of the District. Any Authorized Official, on behalf of the District, is expressly authorized, subject to any conditions or prerequisites specified in a then-effective Credit Agreement that relates to the Notes of a particular series then at issue, to negotiate, secure, and finalize a replacement, substitute, amended, or revised Dealer Agreement and to have the any Authorized Official execute and deliver this document, and any other documents called for thereunder, for and on behalf of the District. The District will initially enter into a Dealer Agreement with the Dealer with respect to the Series A Notes. There initially is no Dealer or Dealer Agreement for the Series B Notes.

ARTICLE IV

COVENANTS OF THE DISTRICT

SECTION 4.1 LIMITATION ON ISSUANCE. Unless this Order is amended and modified by the Board in accordance with the provisions of Section 6.1 hereof, the District covenants that there will not be issued and Outstanding at any time under this Order more than $100,000,000 in principal amount of Notes; subject, however, to the provision below regarding the Available Commitment. For purposes of this Section 4.1 any portion of Outstanding Notes to be paid on a particular day from money on irrevocable deposit in the Note Payment Fund or available proceeds of Notes or Bonds shall not be considered Outstanding on such day. Additionally, the District covenants and agrees that the total principal amount of all Series A Notes outstanding at any one time and interest to accrue thereon shall not exceed the sum total of the Available Commitment relating thereto or available therefor. On any date, the aggregate principal amount of all Series B Notes issued on such date shall not exceed the amount of the Available Commitment of the Series B Agreement before giving effect to such issuance.

SECTION 4.2 MAINTENANCE OF AVAILABLE CREDIT FACILITIES REQUIREMENT.

(a) The District agrees and covenants that at all times up to and including the Maximum Maturity Date, unless the Notes are no longer Outstanding, it will maintain one or more Credit Agreements with Banks in amounts such that, assuming that all then Outstanding Notes were to become due and payable immediately, the amount available for borrowing under the Credit Agreement(s) applicable to such Notes would be sufficient at that time to pay the principal of all such Notes. No Note shall be issued which if, after giving effect to the issuance thereof and, if applicable, the immediate application of the proceeds therefrom to retire other Notes secured by the Credit Agreement, the aggregate principal amount of all Notes supported by the Credit Agreements would exceed the amount of the aggregate principal amount commitment under all Credit Agreements. The availability for borrowing of such amounts under the Credit Agreements

may be subject to reasonable conditions precedent, including but not limited to, bankruptcy of the District. In furtherance of the foregoing covenant, the District agrees that it will not issue any Notes or make any borrowings which will result in a violation of such covenant, will not amend any Credit Agreements then in effect in a manner which will cause a violation of such covenant and, if and to the extent necessary to maintain compliance with such covenant, will arrange for an alternate Credit Agreement prior to, or contemporaneously with, the expiration of an existing Credit Agreement.

(b) The Initial Credit Agreements initially satisfy the covenant contained in the first sentence of paragraph (a) above with respect to Available Commitment that supports the issuance of up to $100,000,000 in aggregate principal amount of the Notes at any one time Outstanding, plus interest coverage thereon (as and if applicable).

SECTION 4.3 BONDS. The District hereby acknowledges that the Notes are being issued as short term obligations, and therefore the District in good faith shall endeavor to sell a sufficient principal amount of the Bonds in order to have funds available, together with other money available therefor, to pay the Notes and the interest thereon, or any renewals thereof, as the same shall become due and amounts, including Loan Notes and interest thereon, due under the Credit Agreement or Credit Agreements from time to time valid and in effect.

SECTION 4.4 PUNCTUAL PAYMENT. The District will punctually pay or cause to be paid the principal of and interest, if any, on the Notes (but only from the sources pledged herein), in conformity with the Notes, this Order and any Credit Agreement.

SECTION 4.5 NOTES TO REMAIN TAX EXEMPT. The District intends that the interest on the Notes shall be excludable from gross income of the Holders thereof for federal income tax purposes pursuant to sections 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended, (the *Code*) and all applicable temporary, proposed and final regulations (the *Regulations*) and procedures promulgated thereunder and applicable to the Notes. For this purpose, the District covenants that it will monitor and control the receipt, investment, expenditure and use of all gross proceeds of the Notes (including all property the acquisition, construction or improvement of which is to be financed directly or indirectly with the proceeds of the Notes) and take or omit to take such other and further actions as may be required by sections 103 and 141 through 150 of the Code and the Regulations to cause interest on the Notes to be and remain excludable from the gross income, as defined in section 61 of the Code, of the Holders of the Notes for federal income tax purposes. Without limiting the generality of the foregoing, the District shall comply with each of the following covenants:

(a) The District will use all of the proceeds of the Notes to (i) provide funds for Project Costs of Eligible Projects and (ii) to pay the costs of issuing the Notes. The District will not use any portion of the proceeds of the Notes to pay the principal of or interest or redemption premium on, any other obligation of the District or a related person.

(b) The District will not directly or indirectly take any action or omit to take any action, which action or omission would cause the Notes to constitute "private activity bonds" within the meaning of section 141(a) of the Code.

(c) Principal of and interest on the Notes will be paid solely from an ad valorem tax collected by the District, investment earnings on such collections, certain other lawfully available funds and, as available, proceeds of the Notes.

(d) Based upon all facts and estimates now known or reasonably expected to be in existence on the date the Notes are delivered, the District reasonably expects that the proceeds of the Notes will not be used in a manner that would cause the Notes or any portion thereof to be an "arbitrage bond" within the meaning of section 148 of the Code.

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

(f) The District will not take any action or knowingly omit to take any action, which, if taken or omitted, would cause the Notes to be treated as "federally guaranteed" obligations for purposes of section 149(b) of the Code.

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

(h) The District will take all necessary steps to comply with the requirement that certain amounts earned by the District on the investment of the gross proceeds of the Notes, if any, be rebated to the federal government. Specifically, the District will (i) maintain records regarding the receipt, investment, and expenditure of the gross proceeds of the Notes as may be required to calculate such excess arbitrage profits separately from records of amounts on deposit in the funds and accounts of the District allocable to other obligations of the District or moneys which do not represent gross proceeds of any obligations of the District and retain such records for at least six years after the day on which the last Outstanding Note is discharged, (ii) account for all gross proceeds under a reasonable, consistently applied method of accounting, not employed as an artifice or device to avoid in whole or in part, the requirements of Section 148 of the Code, including any specified method of accounting required by applicable Regulations to be used for all or a portion of any gross proceeds, (iii) calculate, at such times as are required by applicable Regulations, the amount of excess arbitrage profits, if any, earned from the investment of the gross proceeds of the Notes and (iv) timely pay, as required by applicable Regulations, all amounts required to be rebated to the federal government. In addition, the District will exercise reasonable diligence to assure that no errors are made in the calculations required by the preceding sentence and, if such an error is made, to discover and promptly correct such error within a reasonable

amount of time thereafter, including payment to the federal government of any delinquent amounts owed to it, interest thereon and any penalty.

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

(j) The District will timely file or cause to be filed with the Secretary of the Treasury of the United States the information required by section 149(e) of the Code with respect to the Notes on such form and in such place as the Secretary may prescribe.

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

(l) Proper officers of the District charged with the responsibility for issuing the Notes are hereby directed to make, execute and deliver certifications as to facts, estimates or circumstances in existence as of the date of issuance of the Notes and stating whether there are facts, estimates or circumstances that would materially change the District's expectations. On or after the date of issuance of the Notes, the District will take such actions as are necessary and appropriate to assure the continuous accuracy of the representations contained in such certificates.

(m) The covenants and representations made or required by this Section are for the benefit of the Holders of the Notes and any subsequent Note holder, and may be relied upon by the Note holders and any subsequent Note holder and Bond Counsel to the District.

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

Notwithstanding any other provision of this Order, the District's representations and obligations under the covenants and provisions of this Section 4.5 shall survive the defeasance and discharge of the Notes for as long as such matters are relevant to the exclusion of interest on the Notes from the gross income of the Holders for federal income tax purposes.

SECTION 4.6 OPINION OF BOND COUNSEL. The District shall cause the legal opinion of Bond Counsel as to the validity of the Notes and as to the excludability of interest on

the Notes from gross income for federal income tax purposes to be furnished to any Holder without cost. In addition, a copy of said opinion may be printed on each of the Notes.

SECTION 4.7 MAINTENANCE OF ISSUING AND PAYING AGENT The District will, and with respect to each series of Notes, at all times maintain an issuing and paying agent in the State of Texas, meeting the qualifications herein described, for the performance of the duties of the Issuing and Paying Agent for each series of Notes hereunder. The Issuing and Paying Agent for any series of Notes may be removed from its duties hereunder at any time with or without cause by action of the Board entered in its minutes and not less than 30 days' notice to each Holder specifying the substitution of another Issuing and Paying Agent for such affected series of Notes, the effective date thereof, and the address of such successor Issuing and Paying Agent, but no such removal shall become effective until such successor shall have accepted the duties of the Issuing and Paying Agent for such affected series of Notes hereunder by written instrument.

Each Issuing and Paying Agent appointed hereunder for the Series A Notes shall at all times be a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise corporate trust powers, having a combined capital and surplus of at least $50,000,000, subject to supervision or examination by federal or state authority, registered as a transfer agent with the Securities and Exchange Commission, and having an office in the State of Texas. If such corporation publishes reports of condition at least annually pursuant to law or to the requirements of such supervising or examining authority, then for the purposes of this Section the combined capital and surplus of such corporation shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

ARTICLE V

EVENTS OF DEFAULT AND REMEDIES OF NOTEHOLDERS

SECTION 5.1 EVENTS OF DEFAULT. If one or more of the following events shall occur, that is to say:

(a) if default shall be made in the due and punctual payment of any installment of principal of any Note when and as the same shall become due and payable, whether at maturity as therein expressed or otherwise;

(b) if the District shall fail to make due and punctual payment of any installment of interest on any Note when and as such interest installment shall become due and payable and such failure shall continue for five (5) Business Days;

(c) if the Bank has delivered to the Issuing and Paying Agent and the District notice of an "Event of Default" under such Credit Agreement;

(d) if default shall be made by the District in the performance or observance of any other of the covenants, agreements or conditions on its part in this Order or in the Notes contained, and such default shall continue for a period of sixty (60) days after written notice thereof; provided, however, that if such default cannot be cured within the sixty (60) day period but corrective action

to cure such default is commenced and diligently pursued until the default is corrected no such Event of Default shall be deemed to have occurred;

(e) if there shall occur the dissolution (without a successor being named to assume the rights and obligations) or liquidation of the District or the filing by the District of a voluntary petition in bankruptcy, or adjudication of the District as a bankrupt, or assignment by the District for the benefit of its creditors, or the entry by the District into an agreement of composition with its creditors, or the approval by a court of competent jurisdiction with its creditors, or the approval by a court of competent jurisdiction of a petition applicable to the District in any proceeding for its reorganization instituted under the provisions of the Bankruptcy Code, as amended, or under any similar act in any jurisdiction which may now be in effect or hereafter enacted; or

(f) if an order or decree shall be entered, with the consent or acquiescence of the District, appointing a receiver or receivers of the District, or any part thereof, or of the rents, fees, charges or other revenues therefrom, or if such order or decree, having been entered without the consent or acquiescence of the District shall not be vacated or discharged or stayed within ninety (90) days after the entry thereof;

then such event as described above shall constitute an "Event of Default" under this Order.

SECTION 5.2 SUITS AT LAW OR IN EQUITY AND MANDAMUS. In case one or more Events of Default shall occur, then and in every such case the Holder of any Note at the time Outstanding shall be entitled to proceed to protect and enforce such Holder's rights by such appropriate judicial proceeding as such Holder shall deem most effectual to protect and enforce any such right, either by suit in equity or by action at law, whether for the specific performance of any covenant or agreement contained in this Order, or in aid of the exercise of any power granted in this Order, or to enforce any other legal or equitable right vested in the Holders of Notes by this Order or the Notes or by law. For avoidance of doubt, each Bank shall retain and can enforce the rights and remedies set forth in the related Credit Agreement pursuant to the terms of such Credit Agreement. The provisions of this Order shall be a contract with each and every Holder of Notes and the duties of the District and the Board shall be enforceable by any Holder of Notes by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction.

SECTION 5.3 REMEDIES NOT EXCLUSIVE.

(a) No remedy herein conferred upon or reserved to the Holders of Notes is intended to be exclusive of any other remedy, and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised at any time or from time to time, and as often as may be necessary, by the Holder of any one or more of the Notes.

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

ARTICLE VI

MISCELLANEOUS

SECTION 6.1 AMENDMENTS OR MODIFICATIONS.

(a) Amendments Without Consent of Holders. This Order and the rights and obligations of the District and of the Holders of Notes may be modified or amended at any time by a supplemental order, without notice to or the consent of any Holders, but only to the extent permitted by law, and, subject to the rights of the Holders of the Notes, only for any one or more of the following purposes:

(i) to add to the covenants and agreements of the District in this Order contained, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the District;

(ii) to cure any ambiguity or inconsistency, or to cure or correct any defective provision contained in this Order, upon receipt by the District of an approving opinion of Bond Counsel that the same is needed for such purpose, and will more clearly express the intent of this Order; or

(iii) to add to the security for the Notes, change the form of the Notes, or to make such other changes in the provisions hereof as the District may deem necessary or desirable and which shall not materially adversely affect the interests of the Holders of the Notes.

(b) Amendments Requiring Consent of All Holders. Nothing herein contained shall permit or be construed to permit the amendment of the terms and conditions of this Order or of the Notes so as to:

(i) make any change in the maturity of any of the Outstanding Notes;

(ii) reduce the rate of interest borne by any of the Outstanding Notes;

(iii) reduce the amount of the principal payable on any of the Outstanding Notes;

(iv) modify the terms of payment of principal of or interest on the Outstanding Notes, or impose any conditions with respect to such payment;

(v) affect the rights of the Holders of less than all of the Outstanding Notes; or

(vi) give priority of payment to any Note over other Notes; or

(vii) reduce or restrict the pledge made pursuant to Section 2.11 hereof for payment of the Notes,

unless such amendment shall be approved by the Holders of all of the Notes (including any Bank as the Holder of a Loan Note) then Outstanding;

(c) Amendments Requiring Consent of Bank and a Majority of Holders of Notes. The District may, with the written consent of the Bank and the Holders of a majority in aggregate principal amount of the Notes then Outstanding affected thereby, amend, change, modify, or

rescind any provisions of this Order which are otherwise not described under Section 6.1(a) or Section 6.1(b) hereof; and

(d) Amendments Effective Upon Receipt of Written Consent. Whenever the District shall desire to make any amendment to this Order requiring consent of the Bank and the Holders of the Notes then outstanding, the District shall cause notice of the amendment to be sent by first class mail, postage prepaid, to the Bank and the Holders of the Notes then Outstanding at the respective addresses shown on any Registration Books maintained by a Registrar. Whenever at any time after the date of the giving of such notice, the District shall receive an instrument or instruments in writing executed by the Bank and the Holders of the Notes of a majority in aggregate principal amount of the Notes then Outstanding which instrument or instruments shall refer to the proposed amendment described in such notice and shall specifically consent to and approve the adoption thereof in substantially the form of the copy thereof referred to in such notice, thereupon, but not otherwise, the District may adopt such amendment in substantially such form, except as herein provided. Neither the Bank nor any Holder of Notes may thereafter object to the adoption of such amendment or to any of the provisions thereof, and such amendment shall be fully effective for all purposes.

(e) Amendments Effective Upon Maturity of all Then Outstanding Notes. Whenever the District shall desire to make any amendment to or additions to or rescission of this Order requiring consent of the Bank and the Holders of the Notes then Outstanding, the District may adopt such amendment, addition or recession (upon prior consent of the Bank but without having to receive the consent of any Holder of then Outstanding Notes) which will become effective only upon the payment in full of all such Outstanding Notes. The Offering Memorandum prepared by the District and used by the Dealer to sell any series of publicly marketed Notes which will be Outstanding on and after the effective date of any such amendment, addition or rescission must clearly state or describe such amendment, addition or rescission, and all persons who become Holders of Notes of such series on and after the effective date of such amendment, addition or rescission shall be deemed to have consented to such amendment, addition or rescission.

(f) Approval of Attorney General Required. Notwithstanding the foregoing provisions of this Section 6.1, no change, modification or amendment shall be made in this Order or become valid and effective without the approval of such change, modification or amendment by the Attorney General of the State of Texas, to the extent (but only to the extent) required by the Act.

SECTION 6.2 ADDITIONAL ACTIONS. The President and Secretary of the Board, any other Authorized Official, and the other officers of the District are hereby authorized and directed, jointly and severally, to do any and all things and to execute and deliver any and all documents which they may deem necessary or advisable in order to consummate the issuance, sale and delivery of the Notes and otherwise to effectuate the purposes of this Order and any Credit Agreement, Dealer Agreement, Offering Memorandum, and Issuing and Paying Agency Agreement. Specifically, by the adoption of this Order, the Board hereby authorizes the payment of the fees and expenses incurred and to be paid by the District in connection with the issuance, sale and delivery of the Notes and the execution and delivery of the Initial Credit Agreements (as the initial Credit Agreements), the Dealer Agreement, the Issuing and Paying Agency Agreement, and as otherwise provided in this Order.

SECTION 6.3 ORDER TO CONSTITUTE A CONTRACT; EQUAL SECURITY. In consideration of the acceptance of the Notes, the issuance of which is authorized hereunder, by those who shall hold the same from time to time, this Order shall be deemed to be and shall constitute a contract between the District and the Holders from time to time of the Notes and the pledge made in this Order by the District and the covenants and agreements set forth in this Order to be performed by the District shall be for the equal and proportionate benefit, security and protection of all Holders of the Notes, without preference, priority or distinction as to security or otherwise of any of the Notes authorized hereunder over any of the others by reason of time of issuance, sale or maturity thereof or otherwise for any cause whatsoever, except as expressly provided in or permitted by this Order or, with respect to any Loan Note, the related Credit Agreement. Each Bank shall be an express third party beneficiary of this Order.

SECTION 6.4 SEVERABILITY OF INVALID PROVISIONS. If any one or more of the covenants, agreements or provisions herein contained shall be held contrary to any express provisions of law or contrary to the policy of express law, though not expressly prohibited, or against public policy, or shall for any reason whatsoever be held invalid, then such covenants, agreements or provisions shall be null and void and shall be deemed separable from the remaining covenants, agreements or provisions and shall in no way affect the validity of any of the other provisions hereof or of the Notes issued hereunder.

SECTION 6.5 PAYMENT AND PERFORMANCE ON BUSINESS DAYS. Whenever under the terms of this Order or the Notes, the performance date of any provision hereof or thereof, including the payment of principal of or interest on the Notes, shall occur on a day other than a Business Day, then the performance thereof, including the payment of principal of and interest on the Notes, need not be made on such day but may be performed or paid, as the case may be, on the next succeeding Business Day with the same force and effect as if made on the date of performance or payment.

SECTION 6.6 DEFEASANCE. If, when all or any portion of the Notes shall have become due and payable in accordance with their terms or otherwise as provided in this Order, the entire principal and interest so due and payable upon said Notes shall be paid, or if at or prior to the date said Notes have become due and payable, sufficient money and/or Government Securities the principal of and interest on which will provide sufficient money for such payment, shall be irrevocably held in trust by the Issuing and Paying Agent/Registrar, or an authorized escrow agent, and provision shall also be irrevocably made for paying all other sums payable hereunder by the District with respect to said Notes, the pledge herein created with respect to said Notes shall thereupon cease, terminate and become discharged and said Notes shall no longer be deemed Outstanding for purposes of this Order and all the provisions of this Order relating to said Notes, including all covenants, agreements, liens and pledges made herein for the benefit thereof, shall be deemed duly discharged, satisfied and released; *provided*, that for purposes of clarity, all the provisions of this Order relating to other Notes and the Credit Agreements, including all covenants, agreements, liens and pledges made herein for the benefit thereof, shall not be deemed duly discharged, satisfied and released until the Program is terminated by the District and all amounts due and payable under the related Credit Agreement have been paid in full. In the event that all Notes are defeased, the District shall also be obligated to pay any amounts due and payable under the related Credit Agreement. Notwithstanding the foregoing, prior to effectuating a defeasance

of Notes pursuant to this Section, the District shall have first received written notification from each rating agency then providing a rating on the affected Notes that the contemplated Note defeasance will not result in a reduction or withdrawal of such Note rating.

SECTION 6.7 LIMITATION OF BENEFITS WITH RESPECT TO THE ORDER. With the exception of the rights or benefits herein expressly conferred, nothing expressed or contained herein or implied from the provisions of this Order or the Notes is intended or should be construed to confer upon or give to any person other than the District, Bond Counsel, the Holders of the Notes, each Bank, any Issuing and Paying Agent/Registrar, and the respective parties to any Dealer Agreement and any Credit Agreement, any legal or equitable right, remedy or claim under or by reason of or in respect to this Order or any covenant, condition, stipulation, promise, agreement or provision herein contained. This Order and all of the covenants, conditions, stipulations, promises, agreements and provisions hereof are intended to be and shall be for and inure to the sole and exclusive benefit of the District, Bond Counsel, the Holders of the Notes, any Issuing and Paying Agent/Registrar, each Bank, and the respective parties to any Dealer Agreement and any Credit Agreement as herein and therein provided.

SECTION 6.8 USE OF OFFERING MEMORANDUM. The use by the Dealer of the Offering Memorandum, substantially in the form attached hereto as Exhibit D, prepared by the District in connection with the sale of any series of Commercial Paper Notes (and, initially, the Series A Notes), and the distribution of the Offering Memorandum by the Dealer, is hereby approved and authorized.

SECTION 6.9 ONGOING CONTINUING DISCLOSURE COVENANT. To the extent required by the provisions of U.S. Securities and Exchange Commission Rule 15c2-12 (*Rule 15c2-12*), the District agrees to enter into an agreement to file financial information and operating data with respect to the Notes with such entities as are designated pursuant to the terms of said Rule 15c2-12. Under the provisions of said Rule 15c2-12, as they exist on the date this Order is adopted, the District is exempted from complying with the undertaking described in the first sentence of this Section 6.9, as the Notes are to be issued in the form of Commercial Paper Notes.

SECTION 6.10 APPROVAL OF ATTORNEY GENERAL. No Notes herein authorized to be issued shall be sold or delivered by or on behalf of the District until the Attorney General of the State of Texas shall have approved this Order, the initial Credit Agreement and other agreements and proceedings as may be required in connection therewith, all as required by the Act.

SECTION 6.11 THE DEPOSITORY TRUST COMPANY.

(a) The District has determined to issue the Series A Notes initially in book-entry form and has determined to appoint The Depository Trust Company, New York, New York (*DTC*) to serve as the initial securities depository for the Series A Notes and to maintain a book-entry only system of recording the ownership and transfer of ownership of beneficial interests in the Series A Notes in accordance with this Section 6.11. These provisions shall apply to any additional series of Notes issued in book-entry form.

(b) Notwithstanding any provision of this Order to the contrary, unless the District shall otherwise direct, one or more Master Notes shall be issued in lieu of individual Notes of a particular series, which Master Notes shall be registered in the name of Cede & Co., as nominee of DTC, as the Registered Owner of the Master Notes, and held in the custody of the applicable Issuing and Paying Agent. Beneficial owners of Notes of such series will not receive physical delivery of such Notes except as provided hereinafter as long as DTC shall continue to serve as securities depository for Notes of such series as provided herein, all transfers and beneficial ownership interests in Notes of such series will be made by book-entry only, and no investor or other party purchasing, selling, or otherwise transferring beneficial ownership interests in the Notes is to receive, hold, or deliver any Notes; provided, that, if DTC fails or refuses to act as securities depository for those Notes, the District shall take the actions necessary to provide for the issuance of certificates to the Registered Owners of such Notes.

With respect to Master Notes registered in the name of Cede & Co., as nominee of DTC, the District and the applicable Issuing and Paying Agent shall have no responsibility or obligation to any DTC Participant or to any person on behalf of whom a DTC Participant holds an interest in the Notes of such series. Without limiting the immediately preceding sentence, the District and the applicable Issuing and Paying Agent 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 Notes of such series, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner, as shown in the applicable Registration Books, of any notice with respect to those Notes, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner, as shown in the applicable Registration Books, of any amount with respect to the principal of, premium, if any, or interest on those Notes.

(c) In the event that (i) DTC determines not to continue to act as securities depository for the Notes of the applicable series (which determination shall become effective not less than ninety (90) days after written notice to such effect is given to the District and the applicable Issuing and Paying Agent); (ii) the District or the applicable Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Notes of such series) that DTC is incapable of discharging its responsibilities described herein and in the DTC Letter of Representations; or (iii) the District or the applicable Issuing and Paying Agent determines (which determination is conclusive as to DTC, any DTC Participant and the beneficial owners of the Notes of such series) that it is in the best interests of the beneficial owners of those Notes not to continue DTC's book-entry only system of transfer for the Notes of such series, then the District shall use its best efforts to appoint a successor securities depository, qualified to act as such under Section 17A of the Securities Exchange Act of 1934, as amended. In the event of such an appointment, the District shall notify (a) DTC of the appointment of such successor securities depository and transfer one or more separate Notes of such series to such successor securities depository or (b) DTC Participants of the availability through DTC of Notes of such series and transfer one or more separate Notes to DTC Participants having Notes of such series credited to their DTC accounts. In such event, the Master Notes and Notes of such series shall no longer be restricted to being registered in the applicable 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 Notes of such series shall designate, in accordance with the provisions of this Order.

In the event that the District fails to appoint a successor securities depository for the Notes of series registered in book-entry form, the District shall execute and cause to be authenticated and delivered replacement Notes of such series, in certificated form, to the beneficial owners of those Notes.

(d) Notwithstanding any other provision of this Order to the contrary, as long as any Master Notes or the Notes of a particular series are registered in the name of Cede & Co., as nominee of DTC, (i) all payments with respect to the principal of and interest on such Notes and all notices with respect to those Notes shall be made and given, respectively, in the manner provided in the DTC Letter of Representations (attached hereto as Exhibit E); (ii) the requirements of this Order of holding, delivering, or transferring Notes of such series shall be deemed modified to require the appropriate person or entity to meet the requirements of DTC, and (iii) delivery of the Master Notes and the Notes of such series will be in accordance with arrangements among the District, the applicable Issuing and Paying Agent, and DTC.

(e) If at any time DTC ceases to hold the Master Notes or the Notes of a particular series in book-entry only form, all references herein to DTC shall be of no further force or effect.

(f) The DTC Letter of Representations and the Master Notes shall be substantially in the form attached hereto as Exhibits E and F, respectively, the terms and provisions of which are hereby approved. The President and Secretary of the Board are hereby authorized to execute and deliver such Master Notes on behalf of the District; any Authorized Official is hereby authorized to execute and deliver such DTC Letter of Representations on behalf of the District.

SECTION 6.12 NOTICE TO RATING AGENCIES. Any notices required to be delivered hereunder shall also be provided to each rating agency at such time providing a rating on the Notes. Such notices shall be given to each rating agency utilizing the following contact information: (1) Moody's Investors Service, Inc., 7 World Trade Center, 250 Greenwich Street, New York, New York 10007, Attention: Public Finance Group—Texas Local Ratings; and (2) Fitch Ratings, Inc., 33 Whitehall Street, New York, New York, 10004, Attention: Municipal Structured Finance.

For the purposes of this Section 6.12, the District covenants to provide notice to each rating agency of the following events:

(a) material changes to this Order and any Ancillary Bond Contracts (hereinafter defined) or related documents authorizing the issuance of the Notes;

(b) any change of the Issuing and Paying Agent under Section 3.3 hereof;

(c) extension, termination, or expiration of the Initial Credit Agreement relating to the Series A Notes and any Credit Agreement authorized under Sections 2.15 and 2.16, respectively, herein; and

(d) a determination by the District that there are no Notes authorized under this Order left Outstanding.

SECTION 6.13 PREAMBLE. The preamble to this Order shall be considered an integral part of this Order, and is herein incorporated as part of the body of this Order for all purposes.

SECTION 6.14 FURTHER PROCEDURES. The officers and employees of the District are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the initial sale and delivery of each series of Notes, any Issuing and Paying Agency Agreement, any Dealer Agreement, the initial Credit Agreements, and the Offering Memorandum, as each of the foregoing is applicable and relating to a particular series of Notes. In addition, prior to the initial delivery of the Notes, the President and Secretary of the Board, any Authorized Official, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order and as described, with respect to the Series A Notes, in the Offering Memorandum, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Notes by the Texas Attorney General's office. In case any officer of the District whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 6.15 DISTRICT'S CONSENT TO PROVIDE INFORMATION AND DOCUMENTATION TO THE TEXAS MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the District hereby consents to and authorizes any Authorized Official, Bond Counsel to the District, and/or Financial Advisor to the District to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Notes; provided, however, that no such information and documentation shall be provided prior to the delivery of the Notes. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Notes.

SECTION 6.16 DELEGATION AUTHORIZATION PURSUANT TO HB 1295. Though such parties may be identified, and the entry into a particular contract may be authorized, herein, pursuant to the Act, and any other applicable law, the District hereby delegates to the each Authorized Official the authority to independently select the counterparty to any Credit Agreement, the Dealer Agreement, the Issuing and Paying Agency Agreement, any agreement with any rating agency, bond insurer, securities depository or any other contract that is determined

by an Authorized Official, the District's financial advisor, or the District's Bond Counsel to be necessary or incidental to the issuance of the Bonds as long as each of such contracts has a value of less than the amount referenced in Section 2252.908 of the Texas Government Code (collectively, the *Ancillary Bond Contracts*) and, as necessary, to execute the Ancillary Bond Contract on behalf and as the act and deed of the District. As a result of such delegation, the provisions of Section 2252.908 of the Texas Government Code, as amended, are not applicable to the Ancillary Bond Contracts pursuant to 1 Texas Administrative Code Sec. 46.1(c)

SECTION 6.17 PUBLIC MEETING. It is official found, determined, and declared that the meeting at which this Order is adopted was open to the public, and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Order, was given, all as required by Chapter 551, Texas Government Code, as amended.

SECTION 6.18 EFFECTIVE DATE. This Order shall be in full force and effect from and upon its adoption.

[The remainder of this page intentionally left blank]

FINALLY PASSED, APPROVED AND EFFECTIVE the 13th day of April, 2026.

_____
President, Board of Trustees
North East Independent School District

ATTEST:

_____
Secretary, Board of Trustees
North East Independent School District

(SEAL)

INDEX TO EXHIBITS

Exhibit A - Forms of Initial Credit Agreements
Exhibit B - Form of Issuing and Paying Agency Agreement
Exhibit C - Form of Dealer Agreement
Exhibit D - Form of Offering Memorandum
Exhibit E - Form of DTC Letter of Representations
Exhibit F - Form of Master Note

EXHIBIT A

Initial Credit Agreements

Series A Revolving Credit Agreement See Tab No. __

Series B Note Purchase Agreement See Tab No. __

EXHIBIT B

Issuing and Paying Agency Agreement

See Tab No. __

EXHIBIT C

Dealer Agreement

See Tab No. __

EXHIBIT D

Offering Memorandum

See Tab No. __

EXHIBIT E

DTC Letter of Representations

See Tab No. __

EXHIBIT F

DTC Master Note

See Tab No. __

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026 Presenter: Susie Lackorn

Subject: Efficiency Committee Related Page(s):

ACTION ITEM

BACKGROUND INFORMATION

At the March 2, 2026 meeting, the Board was presented recommendations from the Efficiency Committee. Administration has since outlined a plan to implement those recommendations. To recap, the recommendations included:

- Proceed with opening enrollment eligibility to students outside the NEISD boundaries. It is recommended that NEISD leaders and staff establish clear policies and procedures that ensure applicants meet and maintain district standards and that capacity is available to absorb the applicants.

- Continue efforts to improve campus efficiency and reduce the budget deficit by consolidating low enrollment and low-capacity utilization campuses over the next 3 years.

- Consider possible cost saving options related to the dual language program, such as campus and/or program consolidation.

- Review our CTE and magnet programs for efficiency and growth opportunities.

ADMINISTRATIVE CONSIDERATION

The implementation plan includes:

- Phase 1: Open enrollment for 2026-2027 & CTE expansion planning
  - Change Board Policy FDA (LOCAL) to open enrollment
  - Pursue early college high school medical program
  - Pursue early college high school legal studies program
  - Pursue other CTE program expansions

- Phase 2: Campus & dual language consolidations
  - October 2026 review enrollment
  - Consolidate any identified campuses in 2027-2028

- Phase 3: Continue consolidation review

- October 2027 review enrollment
- Consolidate any identified campuses in 2028-2029

BUDGETARY CONSIDERATION

Implementation costs are expected to be less than the increase in revenue.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board approve the implementation plan for the Efficiency Committee recommendations and changes to FDA (LOCAL).

BOARD ACTION REQUIRED

Approval/Disapproval

Transfer Requests

~~A nonresident student shall not be permitted to attend District schools except as provided below.~~

When an exception is granted, the Superintendent or designee is authorized to accept or reject the transfer request, provided that such action is without regard to race, religion, color, sex, disability, national origin, or ancestral language.

Factors

In approving transfers, the Superintendent or designee shall consider space, instructional staff, the student's disciplinary history, attendance records, and academic performance. ~~In approving a transfer, the Superintendent or designee shall consider core and classroom capacity, availability of instructional staff, and the student's disciplinary history, grades, and attendance records.~~

Exceptions to Age and Residence Requirements

In general, a student shall be enrolled in District schools and programs only if he or she meets the age and residence requirements defined by state law. The following exceptions are allowed for which tuition may be charged:

1. A nonresident student wishing to transfer into the District shall file a transfer application each school year with the Superintendent or designee. Transfers shall be granted for one regular school year at a time as set forth in accompanying administrative regulations, which may be amended by the Superintendent in accordance with applicable law or the needs of the District.

~~1.~~2. A student who is eligible under continued enrollment transfer guidelines as set forth in accompanying administrative regulations, which may be amended by the Superintendent in accordance with applicable law or the needs of the District.

~~2.~~3. A student whose family is in the process of moving into the District and is eligible under advanced enrollment transfer guidelines as set forth in accompanying administrative regulations, which may be amended by the Superintendent in accordance with applicable law or the needs of the District.

~~3.~~4. An underage transfer student who has been attending public kindergarten in another state under that state's age-appropriate criteria and is the child of a custodial parent or guardian who is an active member of the United States Army, Navy, Air Force, Marine Corps, or Coast Guard and has been stationed to an active-duty assignment at a local military facility under orders from the proper authority. Proper documentation must be provided to the District.

~~4.~~5. A student who is eligible under employee-child transfer guidelines as set forth in accompanying administrative regulations,

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which may be amended by the Superintendent in accordance with applicable law or the needs of the District.

Blocking, Denying, or Revoking Transfer

A student's interdistrict transfer may be blocked, denied, or revoked as set forth in accompanying administrative regulations.

Transportation

The District shall not provide transportation for an interdistrict transfer.

Transfer Agreements

A transfer student shall be notified in the written transfer agreement that they must follow all District policies, regulations, and rules. Violation of the terms of the agreement may result in the transfer revocation.

Tuition

The Superintendent or designee shall determine within statutory limits the amount of tuition, if any, to be charged.

Waivers

The Superintendent or designee may waive tuition for a student based on financial hardship upon written application by the student, parent, or guardian. [See FP]

Nonpayment

The District may initiate withdrawal of students whose tuition payments are delinquent.

Appeals

Any appeals shall be made in accordance with FNG(LOCAL) and GF(LOCAL), as appropriate.

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NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Deb Caldwell
Bill Harrison
Executive Director of Transportation

Subject: Senate Bill 546 (89R)
School Bus Seat Belt Requirements

Related Page(s): Attachments

ACTION ITEM

BACKGROUND INFORMATION

Senate Bill 546 (89R) requires all school buses operated by or contracted for use by a school district be equipped with three-point seat belts for every passenger, including the driver (Transportation Code, §547.701).

Previously, only buses purchased after 2017 were required to have seat belts, and districts could opt out of the requirement. Districts are required to be fully compliant with the three-point seat belt standard by September 1, 2029. Compliance can be reached by retrofitting buses and/or purchasing buses with 3-point seat belts.

ADMINISTRATIVE CONSIDERATION

The Board of Trustees is responsible for determining whether the district's budget can support purchasing buses equipped with three-point seat belts as required by Texas Transportation Code 547.701(e)(1). If a school board determines that the district's budget does not allow for the purchase of buses equipped with three-point seat belts, the district must present a report in a public board meeting that includes the number of buses operated by or contracted for use by the district that:

1. Are not equipped with seat belts.
2. Are equipped with two-point seat belts.
3. Are equipped with three-point seat belts.
4. The estimated cost to the district to equip all buses with three-point seat belts.

BUDGETARY CONSIDERATION

The estimated cost to retrofit buses with three-point seat belts is $19,953,600 (fleet of 351 buses). The 2025 Bond Program includes the purchase of 60 buses with a 72-student seating capacity, 16 buses with a 39-student capacity, 16 buses with a 14-student capacity, and 8 "white" buses with a 14-student capacity. Buses purchased under Bond 2025 will comply with SB 546 (89R).

ADMINISTRATIVE RECOMMENDATION

In order to comply with SB 546 (89R), staff recommends that the Board of Trustees approve the attached resolution.

BOARD ACTION REQUIRED

Approval/Disapproval

NORTH EAST ISD TRANSPORTATION

SCHOOL BOARD MEETING – APRIL 13, 2026

SB 546 – CURRENT SEAT BELT STATUS

The number of buses operated by or contracted for use by the district that:

Are not equipped with seat belts:	293
Are equipped with two-point seat belts:	58
Are equipped with three-point seat belts:	48
Total buses:	399

The estimated cost to the district to equip all buses with three-point seat belts is $19,953,600

RESOLUTION

NORTH EAST INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES
SB 546 SEAT BELT REQUIREMENTS-FINANCIAL INABILITY DETERMINATION

WHEREAS, Senate Bill 546 (89th Texas Legislature) requires that all school buses operated by or contracted for use by a school district be equipped with three-point seat belts for every passenger, including the operator, with full compliance required no later than September 1, 2029; and

WHEREAS, North East ISD currently operates a fleet that includes a significant number of buses that do not meet the newly mandated safety equipment requirements, as they were acquired before the implementation of Senate Bill 546; and

WHEREAS, the estimated cost to replace or retrofit the non-compliant buses, which has been determined to be approximately $19,953,600 creates a substantial financial burden on the District; and

WHEREAS, the 2025-2026 Adopted Budget included a deficit of $41,810,878; and

WHEREAS, SB 546 authorizes a school district to determine, through Board action, that the District's budget does not permit the purchase of compliant buses or retrofitting of non-compliant buses at this time, provided that required reporting to the Texas Education Agency (TEA) is completed; and

WHEREAS, the Board of Trustees has reviewed the fleet inventory and cost projections and finds that full compliance by the statutory deadline is not financially feasible under current funding conditions; and

NOW, THEREFORE, BE IT RESOLVED, that the Board of Trustees of North East ISD determines that the District's current budget does not permit full compliance with SB 546 by September 1, 2029 and directs the Superintendent to submit the required SB 546 reporting to the Texas Education Agency, including the fleet inventory, cost estimates, and this Resolution.

The Board further directs the Superintendent to develop a phased, fiscally responsible replacement and/or retrofit plan and provide updates to the Board as necessary.

Adopted and approved this 13th day of April, 2026 by the Board of Trustees of North East ISD.

President, Board of Trustees

Secretary, Board of Trustees

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Rudy Jimenez

Subject: School Health Advisory Council (SHAC) Member Appointments

Related Page(s): SHAC Member Appointments

CONSENT ITEM

BACKGROUND INFORMATION

In accordance with Texas Education Code 28.004(d), and BDF (LEGAL), a board shall appoint at least five members to the SHAC. A majority of the members must be persons who are parents of students enrolled in the district and must not be employed by the district. One of those members shall serve as chair or co-chair of the SHAC.

BDF (LOCAL) further establishes SHAC shall have no fewer than 28 members and a maximum of 40 members. The SHAC shall have no more than 28 parents/legal guardian members and no more than 7 community members and at least 1 District employee for each standing committee. Each Trustee shall appoint 4 members to the SHAC of which at least 3 must be parents/legal guardians of children in the District.

ADMINISTRATIVE RECOMMENDATION

It is recommended that the Board of Trustees approve new or rename volunteers to serve on the School Health Advisory Council

BOARD ACTION REQUIRED

Approval/Disapproval

Date BOT Approved	Name	SMD	Term	Member Category	Cluster/Department
2026 0413(?)	Sara Cullinan	2	2024-2026	Parent	Roosevelt
2024 1029	Lori Fitch	4	2024-2026	Community Member	MacArthur
2024 1029	Edward "Ed" Giese	3	2024-2026	Community Member	LEE
2024 1029	Dr. Debbie Hamilton	2	2024-2026	Community Member	Roosevelt
2026 0209	Christina Koscielski	7	2024-2026	Parent	Madison
2024 1029	Megan Lemus	2	2024-2026	Parent	Roosevelt
2024 1029	Cat Lodge	6	2024-2026	Parent	Reagan
2024 1029	Dr. Erin Ross	6	2024-2026	Parent	Reagan
2025 0414	Danielle Steans	2	2024-2026	Parent	Roosevelt
2024 1209	Donald Thomas	3	2024-2026	Parent	LEE
2024 1029	Michelle Wilson	6	2024-2026	Parent	Reagan
2025 1007	Melinda Cox		2025-2026	NEISD Board Member	
2025 0922	Christina “Cristy” Burguete	1	2025-2027	Parent	Churchill
2025 0825	Audrey County	7	2025-2027	Parent	Madison
2025 0825	Anne Farringer	1	2025-2027	Parent	Churchill
2025 1007	Debbie Freno	6	2025-2027	Community Member	Reagan
2025 0922	Lauren Georges	3	2025-2027	Parent	LEE
2025 0922	Dr. Elizabeth Glazier	1	2025-2027	Parent	Churchill
2025 1007	Joshua Hanson	7	2025-2027	Parent	Madison
2025 0825	Tony Kaman	5	2025-2027	Parent	Johnson

Date BOT Approved	Name	SMD	Term	Member Category	Cluster/Department
2025 0825	Sean Metcalf	5	2025-2027	Community Member	Johnson
2025 1007	Ahna Mink	7	2025-2027	Community Member	Madison
2026 0209	Kaela Momstelidze	4	2025-2027	Parent	MacArthur
2025 0922	Allyssa Pinney	3	2025-2027	Parent	LEE
2025 0922	Anna Ramsey	1	2025-2027	Parent	Churchill
2025 1007	Robin Schoenfeld	4	2025-2027	Parent	MacArthur
2025 1007	Bonnie Scott	4	2025-2027	Parent	MacArthur
2025 0825	Jennifer Taylor	5	2025-2027	Parent	Johnson
2025 0825	Ruth Whitenton	5	2025-2027	Parent	Johnson
2025 0303	Sharon Glosson	District Employee			School Nutrition Services
2025 0303	Julie Magadance	District Employee			Guidance Services
2025 0303	Kathleen "Katie" Steinhoff	District Employee			PE & Health
2025 0303	Brandon Turner	District Employee			PE & Health

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Rudy Jimenez
Chyla Whitton,
Executive Director,
Human Resources

Subject: Consideration and Approval of Contracts Pursuant to HB 3372

Related Page(s): Attachment

CONSENT ITEM

BACKGROUND INFORMATION

House Bill 3372 (HB 3372) went into effect September 1, 2025 amending the Texas Education Code by adding Section 11.006, which creates a new statewide prohibition on certain types of financial relationships involving public school district administrators. Specifically, HB 3372 prohibits school administrators from receiving financial benefits for personal services performed for:

1. Any business entity conducting or soliciting business with the District;
2. Educational businesses providing services regarding the curriculum or administration of school districts;
3. Other school districts, open-enrollment chart schools or regional education service centers.

ADMINISTRATIVE RECOMMENDATION

Under HB 3372, exceptions are allowed for administrators not including school board members, superintendents and assistant superintendents, provided that:

- A written contract describing the services is submitted to the Board of Trustees; and
- The board of trustees votes to approve the contract after administration has verified the work being performed:
    - does no harm to the district,
    - does not present a conflict of interest, and
    - is entirely on an employee's personal time.

BUDGETARY CONSIDERATION

Not Applicable

ADMINISTRATIVE RECOMMENDATION

The District recommends the Board of Trustees approve the list of contracts pursuant to Texas Education Code § 11.006, as enacted under HB 3372, finding that each contract: 1) will not harm the District, 2) does not present a conflict of interest, and 3) will be performed entirely on the administrator's personal time.

BOARD ACTION REQUIRED

Approval/Disapproval

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: April Muzquiz, Interim Chief Instructional Officer; Dr. Esmeralda Muñoz, Executive Director for Learning Support Services

Subject: 2025-2026 Campus and Classroom Libraries: Submission Two

Related Page(s): NEISD Website

CONSENT ITEM

BACKGROUND INFORMATION

Senate Bill 13, effective in 2025, introduced school board approval of all library materials, community feedback cycles, and expanded responsibilities for the District Library Advisory Committee. NEISD integrated these expectations into its established review processes and trained instructional leaders to ensure that both campus and classroom libraries followed the same procedures.

Advisory Committees and Training

NEISD continued campus-level advisory committees to support communication and transparency. Campus librarians recruited members through newsletters and in-person events, and applicants could also indicate interest in serving on our District Library Advisory Committee (DLAC). DLAC membership includes representation from Single Member Districts, with curriculum and library services staff serving as non-voting members. Live and asynchronous training was provided to DLAC members on SB 13 requirements, review procedures, and available vetting resources.

Campus and Classroom Library Title Lists

Proposed campus and classroom library titles for student self-selected reading were reviewed and posted publicly on January 21, 2026, with a promotion on the district main page and weekly Blackboard notifications for community feedback. A public comment form was shared for both lists. All information provided was in both English and Spanish.

- During the feedback window, the district received 45 submissions for campus library titles
- During the feedback window, the district received nine submissions for classroom library titles
- Any concerns have prompted the creation of book resume(s) and a district-level review by our DLAC and shared with our board as soon as they were completed by district Library Services and C&I departments.
- The link with all community feedback was shared with district executive staff on Tuesday, February 9, 2026.

DLAC Recommendation

On Wednesday, February 25, 2026, the District Library Advisory Committee (DLAC) met to review all submitted feedback and finalize its recommendation for board consideration. The committee voted unanimously, 11 to 0 in both ballots. The results are outlined below.

- Approve **all campus library titles** including all associated ISBNs with the exception of the 5 titles removed by Library Services
- Approve **all classroom library titles** including all associated ISBNs with the exception of the 1 title removed by C&I

Encouraging Public Feedback
Public review opportunities were shared through district homepage spotlights, campus newsletters, principal communication, and two direct emails via our NEISD Blackboard platform to all district parents on Friday, February 6, 2026, and Friday, February 13, 2026.

ADMINISTRATIVE CONSIDERATION
Administrative staff recommends that the Board of Trustees approve the amended Campus Library Title Lists and Classroom Library Title Lists posted on January 21, 2026, in accordance with Senate Bill 13 requirements. Approval of the amended classroom and campus library title lists affirms that the district has met all posting, review, and public comment expectations outlined in statute.

BUDGETARY CONSIDERATION
None

BOARD ACTION REQUIRED
Approval/Disapproval

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Susie Lackorn
Valerie Rueda, Executive Director
Procurement & eCommerce

Subject: $100,000 Purchases

Related Page(s): Attachment

CONSENT ITEM

BACKGROUND INFORMATION

Texas Education Code §44.031 requires all school district contracts, except contracts for the purchase of produce or vehicle fuel, valued at $100,000 or more in the aggregate for each 12-month period shall be made by one of the methods listed in the Code providing the best value for the district. Board Policy CH (LOCAL) states, "The Board delegates to the Superintendent or designee the authority to make budgeted purchases for goods or services. However, any single, budgeted purchase of goods or services costing $100,000 or more, regardless of whether the goods or services are competitively purchased, shall require Board approval before a transaction may take place."

ADMINISTRATIVE CONSIDERATION

The purpose of this consent item is to ask for Board authorization to expend funds for previously approved budgeted expenditures for 2025-2026, which meet or exceed $100,000 from the attached listed vendors. The attachment reflects categories of purchases, vendor names, descriptions of goods or services and estimated 2025-2026 expenditures. These purchases comply with applicable bid laws. The attachment includes estimated aggregate expenditures exceeding $100,000 during the school year.
By approving this consent item, each approved budgeted item will not have to be presented again, saving considerable time and resources.

BUDGETARY CONSIDERATION

The estimated expenditure amounts are budgeted in various District accounts which were approved at the Board of Trustees meeting on June 8, 2025. Funds being expended include general funds, bond funds, grant funds, special revenue funds, internal service funds and enterprise funds.

ADMINISTRATIVE RECOMMENDATION

The Superintendent recommends the Department of Procurement & eCommerce be authorized to expend funds listed in the attachment for fiscal year 2025-2026.

BOARD ACTION REQUIRED

Approval/Disapproval

ATTACHMENT
BUDGETED PURCHASES OF GOODS OR SERVICES COSTING $100,000 OR MORE
NEISD BOARD MEETING
APRIL 13, 2026

Category	Vendor(s) Name	Description of Goods/Services	Estimated Expenditures 2025-2026	Bid Compliance	Notes
Construction Management & Engineering	Satterfield & Pontikes General Contractors	Minor Improvements to Driscoll Campus for AACOG Lease Improvements	$350,000	32-23	Purchase over $100,000 requires Board approval. NEISD will be reimbursed for this expenditure by AACOG through the lease agreement.
Curriculum & Instruction	Amplify Desmos Math Texas	Math Textbooks, Digital Licenses - 4 year Instructional Materials Adoption	$3,656,930	SBOE Approved List	Purchase over $100,000 requires Board approval.
Curriculum & Instruction	MCGraw Hill	Math Textbooks, Digital Licenses - 4 year Instructional Materials Adoption	$104,145	SBOE Approved List	Purchase over $100,000 requires Board approval.
Curriculum & Instruction	SAVVAS Learning Company	Envision Math Textbooks, Digital Licenses - 4 year Instructional Materials Adoption	$2,367,735	SBOE Approved List	Purchase over $100,000 requires Board approval.
Facility Maintenance & Operations	Heat Transfer Solutions	Air Cool & Water Cool Chiller Equipment (32 Daikin)	$5,214,660	BuyBoard Co-op	2025 Bond Program - Purchase over $100,000 requires Board approval. CBAC Approved
Facility Maintenance & Operations	TRANE	Air Cool & Water Cool Chiller Equipment (25 TRANE)	$5,185,646	32-23	2025 Bond Program - Purchase over $100,000 requires Board approval.
Management Information Systems	Affiliated Communications	Voice Over IP Replacement Project	$1,676,751	10-26	2025 Bond Program - Purchase over $100,000 requires Board approval.
Police Department	513 Solutions Group	Proxy Card Reader & Proxy FOB Replacement	$223,988	TIPS Co-op	2025 Bond Program - Purchase over $100,000 requires Board approval.
Police Department	Jordan Ford	6 Ford Explorers	$254,368	33-24	2025 Bond Program - Purchase over $100,000 requires Board approval.

NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026

Presenter: Deb Caldwell
Jorge Cabello, Exec. Dir. CM&E

Subject: Variable Width Electrical Easement Dedication to CPS for Lighthouse Baptist Church

Related Pages(s): Attachment Metes and Bounds Description Exhibit “A” and Easement Plan Exhibit “B”

CONSENT ITEM

BACKGROUND INFORMATION

Lighthouse Baptist Church is located opposite the North East ISD Transportation Central Bus Terminal and adjacent to the auxiliary bus parking lot at 10400 Broadway Street. An existing CPS Energy electrical easement currently traverses the rear portion of the District’s auxiliary bus parking lot and provides electrical service to the Church. CPS Energy and Lighthouse Baptist Church have requested a new electrical easement to support a planned facility expansion at the Church. The proposed electrical service will be routed via a new variable-width easement adjacent to the Transportation Central Bus Terminal right-of-way along Broadway Street. The existing easement within the auxiliary bus parking lot will be abandoned upon completion of the new installation. The proposed reroute will serve the church but most importantly reduce operational impact to District property and represent an overall improvement to site functionality.

ADMINISTRATIVE CONSIDERATION

The proposed action is to dedicate to CPS Energy a 0.102-acre (4,423 square feet) variable-width electrical easement that runs along District property. This easement is described in Exhibit "A" and depicted in Exhibit "B." Once completed, it will replace the current existing 0.09-acre (3,903 square foot) CPS Energy electrical easement that sits within the auxiliary bus parking lot, which CPS Energy would abandon, thereby no longer encumbering the parking lot space with an easement. CPS Energy will cover all construction, installation, and site restoration costs associated with the easement. The easement and purpose action conforms with standard utility practices and applicable Texas law.

BUDGETARY CONSIDERATION

Since CPS Energy is responsible for all costs associated with the change of easement, there is no anticipated budgetary impact on the District.

ADMINISTRATIVE RECOMMENDATION

The administration recommends approval of the electrical line easement sought by CPS Energy herein, which will lead to the abandonment of the existing electrical line easement on the auxiliary bus parking lot. It is further recommended that the Board of Trustees authorize the Interim Superintendent or designee to execute the applicable easement agreement on his behalf.

BOARD ACTION REQUIRED

Approval/Disapproval

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS ANY INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

ELECTRIC LINE RIGHT-OF-WAY AGREEMENT

STATE OF TEXAS §
§ KNOW ALL MEN BY THESE PRESENTS:
COUNTY OF BEXAR §

That, NORTH EAST INDEPENDENT SCHOOL DISTRICT ("Grantor"), acting by and through Grantor's duly authorized officers, for and in consideration of One Dollar ($1.00) and other good and valuable consideration in hand paid by the CITY PUBLIC SERVICE BOARD OF SAN ANTONIO, a Municipal Board of the CITY OF SAN ANTONIO, in Bexar County, Texas, created pursuant to the authority contained in § 1502.070 of the Texas Government Code, and its predecessor statute; the receipt and sufficiency of which is hereby acknowledged and confessed, has granted, sold and conveyed and by these presents does grant, sell and convey unto the CITY OF SAN ANTONIO, as a part of its electric and gas system ("Grantee"), whose mailing address is P. O. Box 1771, San Antonio, Texas 78296, a non-exclusive easement and right-of-way for overhead and underground electric transmission and distribution lines consisting of variable numbers of wires and cables, conduits, and all necessary appurtenances across, under and upon the following described land located in Bexar County, Texas, to-wit:

> Being a 0.102 acre tract of land out of Lot 16, New City Block 12103, N.E.I.S.D. Subdivision, City of San Antonio, Bexar County, Texas, according to plat thereof recorded in Volume 6900 Page 247, Deed and Plat Records, Bexar County, Texas, Official Public Records, Bexar County, Texas (no deed found).
>
> Said easement and right-of-way being more particularly described and shown by field notes and drawing marked Exhibits "A" and "B", attached hereto and made a part hereof.

Together with the right of ingress and egress over Grantor's adjacent lands and along said right-of-way for the purpose of constructing, reconstructing, inspecting, patrolling, installing underground cables, conduits and aboveground transformers, erecting poles, hanging wires on, maintaining and removing said lines and appurtenances; the right to remove from said lands by standard industry practices employed in vegetation management, all trees, and parts thereof, any vegetation or obstructions which endanger or may interfere with the efficiency of said lines or appurtenances thereto, and Grantor agrees that no building or structure of any kind will hereafter be erected or placed by Grantor, Grantor's successors and assigns, on said easement and right-of-way herein granted, so long as this easement remains in effect; and the right of exercising all other rights hereby granted.

TO HAVE AND TO HOLD the above described easement and rights unto Grantee, Grantee's successors and assigns, until the use of said easement by Grantee shall be permanently abandoned.

And Grantor does hereby bind Grantor, Grantor's successors and assigns, to warrant and forever defend all and singular the above described easement and rights unto Grantee, Grantee's successors and assigns, against every person whomsoever lawfully claiming or to claim the same or any part thereof.

SIGNED TO BE EFFECTIVE this _____ day of _____, 2026.

NORTH EAST INDEPENDENT SCHOOL DISTRICT

BY: _____

NAME: _____

TITLE: _____

STATE OF _____ §
§
COUNTY OF _____ §

This instrument was acknowledged before me on this _____ day of _____, 2026, by _____(NAME), _____(TITLE) on behalf of NORTH EAST INDEPENDENT SCHOOL DISTRICT.

_____
Notary Public, State of _____

EXHIBIT "A"

TBPELS FIRM No. 10194244
18410 US Hwy 281 N, Suite 109
San Antonio, TX 78259
(210) 369-9509

STATE OF TEXAS §
COUNTY OF BEXAR §

0.102 ACRE (4,423 SQUARE FEET) EASEMENT

A 0.102 ACRE (4,423 SQUARE FEET) VARIABLE WIDTH ELECTRIC EASEMENT, BEING A STRIP OF LAND OUT OF LOT 16, NEW CITY BLOCK 12103, N.E.I.S.D. SUBDIVISION OF RECORD IN VOLUME 8900, PAGE 247, DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS, AND SHOWN TO BE OWNED BY NORTH EAST INDEPENDENT SCHOOL DISTRICT UNDER BEXAR COUNTY APPRAISAL DISTRICT PROPERTY IDENTIFICATION NUMBER 500020, DEED NOT FOUND, THIS 0.102 ACRE STRIP OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS AS FOLLOWS:

BEGINNING: at a 60d nail set on the existing west right-of-way of Broadway, an 86-foot wide public right-of-way, as shown on plat of record in Volume 7000, Page 113, Deed and Plat Records, Bexar County, Texas, on the east boundary of said Lot 16, having Texas State Plane coordinates of N-13,742,203.61 and E-2,144,205.42, South Central Zone 4204, Grid, for the southeast corner of this 0.102 acre strip of land, from which a 1/2 inch iron rod found at a south corner of said Lot 16 bears: South 26°03'52" West 346.65 feet along a curve to the right having a radius of 657.00 feet;

THENCE: **North 73°48'45" West 20.08 feet** through, over and across said Lot 16, with the south line of this 0.102 acre strip of land to a 60d nail set for the southwest corner of this 0.102 acre strip of land;

THENCE: continuing through said Lot 16, with the west boundary of this 0.102 acre strip of land, the following three (3) calls:

1) **North 09°17'07" East 111.53 feet** to a 60d nail set for angle;

2) **North 02°58'45" West 81.89 feet** to a 60d nail set for angle;

3) **North 09°41'03" West 94.87 feet** to a 60d nail set for the northwest corner of this 0.102 acre strip of land;

THENCE: **North 71°18'02" East 10.81 feet** continuing through said Lot 16, with the north line of this 0.102 acre strip of land to a 60d nail set on the existing west right-of-way of said Broadway, on the east boundary of said Lot 16, for the northeast corner of this 0.102 acre strip of land;

THENCE: **297.17 feet** along a curve to the right, having a radius of **657.00 feet**, a delta angle of **25°54'57"** and a chord that bears: **South 02°11'23" East 294.65 feet** to the **POINT OF BEGINNING** of this 0.102 acre (4,423 square feet) strip of land in Bexar County, Texas.

THESE FIELD NOTES TOGETHER WITH A SURVEY MAP WERE PREPARED FROM AN ACTUAL SURVEY MADE ON THE GROUND BY PERSONNEL OF ALLIANCE LAND SURVEYORS, LLC WHO WERE WORKING UNDER MY SUPERVISION AND DIRECTION.

Gary A. Gibbons

Gary A. Gibbons
RPLS No. 4716
November 21, 2025
Job No. 251020850 – 0.102ac

STATE OF TEXAS
REGISTERED
GARY A. GIBBONS
4716
PROFESSIONAL
LAND SURVEYOR

VARIABLE WIDTH ELECTRIC EASEMENT

A 0.102 ACRE (4,423 SQUARE FEET) VARIABLE WIDTH ELECTRIC EASEMENT, BEING A STRIP OF LAND OUT OF LOT 16, NEW CITY BLOCK 12103, N.E.I.S.D. SUBDIVISION OF RECORD IN VOLUME 8900, PAGE 247, DEED AND PLAT RECORDS, BEXAR COUNTY, TEXAS, AND SHOWN TO BE OWNED BY NORTH EAST INDEPENDENT SCHOOL DISTRICT UNDER BEXAR COUNTY APPRAISAL DISTRICT PROPERTY IDENTIFICATION NUMBER 500020, DEED NOT FOUND, THIS 0.102 ACRE STRIP OF LAND BEING MORE PARTICULARLY DESCRIBED BY METES AND BOUNDS ATTACHED HERETO.

CURVE	ARC LENGTH	RADIUS	DELTA ANGLE	CHORD BEARING	CHORD LENGTH
C1	350.80'	657.00'	30°35'33"	S 26°03'52" W	346.65'
C2	13.13'	743.00'	1°00'44"	S 11°53'12" W	13.13'
C3	160.08'	743.00'	12°20'40"	N 21°45'54" W	159.77'
C4	56.63'	743.00'	4°22'01"	S 11°14'39" E	56.61'
C5	105.52'	743.00'	8°08'14"	S 04°59'32" E	105.43'
C6	78.84'	743.00'	6°04'48"	S 02°06'59" W	78.81'
C7	52.56'	743.00'	4°03'13"	N 07°10'59" E	52.55'
C8	22.31'	15.00'	85°12'48"	N 47°31'18" E	20.31'
C9	52.67'	78.14'	38°37'10"	S 70°30'13" E	51.68'
C10	28.15'	743.00'	2°10'15"	N 10°17'43" E	28.15'
C11	297.17'	657.00'	25°54'57"	N 02°11'23" W	294.65'
C12	28.08'	743.00'	2°09'54"	N 14°30'37" W	28.08'

LEGEND

- EASEMENT BOUNDARY
- SETBACK LINE
- EASEMENTS
- 1/2" IRON ROD FOUND
- CALCULATED POINT
- CPS STAKE
- ( ) RECORD INFORMATION
- 000/000 VOLUME/PAGE
- D# DOCUMENT NUMBER
- DPR DEED AND PLAT RECORDS OF BEXAR COUNTY, TEXAS
- OPR OFFICIAL PUBLIC RECORDS OF BEXAR COUNTY, TEXAS
- P.O.B. POINT OF BEGINNING
- R.O.W. RIGHT-OF-WAY
- N.C.B. NEW CITY BLOCK
- EXISTING POWER POLE
- EASEMENT CORNER

N 27°55'24" W 19.53'

N 71°18'02" E 6.98'

0.005 ACRES
222 Sq.Ft.

S 18°41'58" E 28.00'

S 71°18'02" W 9.03'

LIGHTHOUSE BAPTIST CHURCH (6656 / 1172 OPR) LOT 35 N.C.B. 14192 LANDMARK BAPTIST CHURCH SUBDIVISION (7500 / 194 DPR)

N 71°18'02" E 10.81'

S 89°48'48" E 9.90'

14.0'

N 09°41'03" W 94.87'

14.0'

N 02°58'45" W 81.89'

LOT 16 N.C.B. 12103 N.E.I.S.D. SUBDIVISION (6900 / 247 DPR) NORTH EAST INDEPENDENT SCHOOL DISTRICT (PID 500020) (DEED NOT FOUND)

LOT 1 BLOCK 5 N.C.B. 14192 REGENCY PLACE SUBDIVISION (5940 / 233 DPR)

EASEMENT
0.102 ACRES
4,423 Sq.Ft.

BROADWAY 86' R.O.W. (7000/113 DPR)

SCALE 1" = 40'

14.0'

N 09°17'07" E 111.53'

FOX HOLLOW 50' R.O.W. (5940/233 DPR)

S 89°48'48" E 2.79'

S 73°48'45" E 11.61'

LOT 1 BLOCK 6 N.C.B. 14193 REGENCY PLACE SUBDIVISION (5940 / 233 DPR) LUKE NATHAN MACIAS (D# 2080177985 OPR)

N-13,742,203.61'
E-2,144,205.42'
P.O.B.

0.006 ACRES
282 Sq.Ft.

N 73°48'45" W 20.08'

S 65°17'15" E 88.30'

S 16°11'15" W 28.00'

N 73°48'45" W 8.72'

LOT 2 BLOCK 6 N.C.B. 14193 REGENCY PLACE SUBDIVISION (5940 / 233 DPR)

LOT 14 N.C.B. 12103 REGENCY PLACE ELEMENTARY SCHOOL (5870 / 225 DPR)

NOTES

1. BEARINGS AND DISTANCES SHOWN FOR THIS SURVEY WERE DETERMINED BY GPS "RTK" OBSERVATIONS, NORTH AMERICAN DATUM OF 1983, TEXAS STATE PLANE COORDINATE SYSTEM, TEXAS SOUTH CENTRAL ZONE 4204, GRID.

2. THIS SURVEY WAS PREPARED WITHOUT THE BENEFIT OF A TITLE COMMITMENT, AND DOES NOT CONSTITUTE A TITLE SEARCH BY THE SURVEYOR, ANY INFORMATION REGARDING RECORDED EASEMENTS, SETBACKS AND ADJOINERS THAT MAY AFFECT THE QUALITY OF TITLE MAY NOT BE SHOWN.

I, Gary A. Gibbons, Registered Professional Land Surveyor number 4716, do hereby certify that this survey made on the ground by personnel working under my direct supervision and that this professional service conforms to the minimum standards of survey practices as set out by the Texas Board of Professional Engineers and Land Surveyors as of this date.
Survey field work completed on:
THE 21st DAY OF NOVEMBER 2025, A.D.

STATE OF TEXAS
REGISTERED
GARY A. GIBBONS
4716
PROFESSIONAL
LAND SURVEYOR

Gary A. Gibbons

GARY A. GIBBONS
REGISTERED PROFESSIONAL LAND SURVEYOR
TEXAS REGISTRATION NO. 4716

EXHIBIT "B"

ALLIANCE LAND SURVEYORS
TBPELS FIRM No. 10194244
18410 US Hwy 281 N, Suite 109
San Antonio, TX 78259
(210) 369-9509

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NORTH EAST INDEPENDENT SCHOOL DISTRICT

Date: April 13, 2026 Presenter: Deb Caldwell

Subject: Open Records Designation of Ten Nonbusiness Days Related Pages (s): None

CONSENT ITEM

BACKGROUND INFORMATION

Government Code 552.0031 clarifies the definition of business days in the Texas Public Information Act (TPIA) to mean a day other than: weekends, state holidays, national holidays, optional holidays, or the Friday before or Monday after a holiday if holiday falls on a weekend. It also allows a governmental body to designate up to an additional 10 nonbusiness days per calendar year on days we are closed or operating with minimum staff.

ADMINISTRATIVE CONSIDERATION

The designation of a nonbusiness day for an independent school district must be made by the Board of Trustees for the purpose of fulfilling open records requests. These additional nonbusiness days are days that the school district is closed or operating with minimum staff. Our District communicates nonbusiness days on the open records webpage.

BUDGETARY CONSIDERATION

There is no cost.

RECOMMENDATION

It is recommended that the Board of Trustees designates the following 10 dates as additional nonbusiness days for calculating open records requests for the 2026-2027 school year:

Nov. 25, 2026	Dec. 23, 2026	Dec. 28, 2026	Dec. 29, 2026	Dec. 30, 2026
Dec. 31, 2026	Mar 8, 2027	Mar 9, 2027	Mar 10, 2027	Mar 11, 2027

BOARD ACTION REQUIRED

Approval/Disapproval