

**NOTICE OF REGULAR OF THE BOARD OF TRUSTEES
PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
Wednesday, August 9, 2023
6:00 PM**

Notice is hereby given that a Regular Meeting of the Board of Trustees of the Port Aransas Independent School District will be held on Wednesday, August 9, 2023 at 6:00 PM. The Board will meet in the Board Room of the Port Aransas Independent School District Administration Building
100 S Station St
Port Aransas, TX 78373.

I. CALL TO ORDER	4
A. Moment of Silence and Pledge of Allegiance	
II. PRESENTATION	5
A. District Safety Audit	
III. COMMENTS	
A. Public Testimony	6
B. Board of Trustee's Acknowledgements	7
IV. BUDGET WORKSHOP	8
V. REPORTS	
A. Business Reports	9
1. July Expenditures	10
2. Tax Collections	15
3. Bond Expenditures	16
B. Superintendent's Report	20
1. Marlin Pride Initiative	
2. Campus/Department Reports	
VI. CONSENT AGENDA	21
A. Consider/Take Possible Action to Approve the Minutes of the Special Board Meeting Minutes dated July 17, 2023 and Regular Board Meeting Minutes Dated July 26, 2023.	22
B. Consider/Take Possible Action to Approve the Investment Report.	26
C. Consider/Take Possible Action to Approve the Student Code of Conduct for the 2023-2024 School Year.	44
D. Consider/Take Possible Action to Approve Nueces County Extension Service Request.	90
E. Consider/Take Possible Action to Approve Purchases Over \$25,000.00.	96
VII. DISCUSSION AND/OR ACTION ITEMS	
A. Consider/Take Possible Action to Approve Goals & Performance Objectives on the District Improvement Plan and Campus Improvement Plans.	111
B. Consider/Take Possible Action to Approve House Bill 3 Resolution.	112
C. Consider/Take Possible Action to Approve FTZ (Federal Trade Zone) Agreement.	115
D. Consider/Take Possible Action on an Order Authorizing the Issuance of "Port Aransas Independent School District Unlimited Tax School Building Bonds, Series 2023A (PSF)" Levying a Continuing Direct Annual Ad Valorem Tax for the	123

Payment of the Bonds; Prescribing the Form, Terms, Conditions, and Resolving Other Matters Incident and Related to the Issuance, Sale and Delivery of the Bonds; and Providing an Effective Date.	
E. Consider/Take Possible Action on an Authorizing the Issuance of "Port Aransas Independent School District Unlimited Tax School Building Bonds, Series 2023B (NON-PSF)"; Levying a Continuing Direct Annual Ad Valorem Tax for the Payment of the Bonds; Prescribing the Form, Terms, Conditions, and Resolving Other Matters Incident and Related to the Issuance, Sale and Delivery of the Bonds; and Providing an Effective Date.	171
VIII. CLOSED SESSION - The board will adjourn into executive session in accordance with the Texas Open Meetings Act, Texas Government Code 551.071 thru 551.083 to consider the following:	217
A. Personnel - Review and Discuss Superintendent's Salary.	
IX. OPEN SESSION	
A. Consider/Take Possible Action to Adjust Superintendent's Salary.	218
X. ADJOURN	219

If, during the course of the meeting covered by this Notice, the Board of Trustees should determine that a closed session of the Board of Trustees is required, then such closed session as authorized by the Texas Open Meetings, Act, Texas Government Coded Section 551.001 et seq., will be held by the School Board at the date, hour, and place given in this Notice or as soon after the commencement of the meeting covered by this Notice as the School Board may conveniently meet in such closed session concerning any and all purposes permitted by the Act, including, but not limited to the following sections and purposes:

Texas Government Code Section

- 551.071 Private consultation with the board's attorney
- 551.072 Discussing purchase, exchange, lease, or value of real property.
- 771.073 Discussing negotiated contracts for prospective gifts or donations.
- 551.074 Discuss:
 - (1) To deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of a public officer or employee; or
 - (2) To hear a complaint or charge against an officer or employee.
- 551.076 Considering the deployment, specific occasions for, or implementation of security personnel or devices.
- 551.082 Considering discipline of a public school child, or complaint or charge against personnel.
- 551.083 Considering the standards, guidelines, terms, or conditions the board will follow, or will instruct its representatives to follow, in consultation with representatives of employee groups.

Should any final action, final decision, or final vote be required in the opinion of the school Board with regard to any matter considered in such closed session, then the final action, final decision, or final vote shall be either:

- (a) in the open meeting covered by the Notice upon reconvening of the public meeting; or
- (b) at a subsequent public meeting of the School Board upon notice hereof, as the School Board shall determine pursuant to applicable laws and policies.

On this , this notice was posted on a bulletin board located at a place readily accessible and convenient to the public at the Port Aransas Independent School District Administration Building, 100 S. Station Street, Port Aransas, Texas.

Respectfully submitted,

Sharon McKinney, Superintendent

CALL TO ORDER

Non-Action Item

Board President, Daniel Johnson will call meeting to order.

A. Moment of Silence and Pledge of Allegiance

PRESENTATIONS INFORMATION

PRESENTATIONS:

A. District Safety Audit

PUBLIC TESTIMONY

Individuals who wish to participate during the portion of the meeting designated for public comment shall sign up with the designee, Rosalie Johnson before the meeting begins as specified in the Board's procedures on public comment and shall indicate the item or topic on which they wish to address the Board.

Should individuals elect to sign up to address the board prior to the board meeting they must email Rosalie Johnson, rosalie@paisd.net. Include the following information in the body of the email: First Name, Last Name, phone number and indicate item or topic they wish to address.

BOARD OF TRUSTEES' ACKNOWLEDGEMENTS AND/OR PRESENTATIONS

B. Non-Action Item:

At this time, Board Members may make acknowledgements; receive Board committee reports and/or present reports to audience.

BUDGET WORKSHOP

Port Aransas ISD 2023-24 Budget Workshop #3

- Presentation of Budget Summary information which will include:
 - Discussion of 2023-24 PAISD proposed compensation plan;
 - Alternative funding sources (Bond 2023, Marlin Legacy Foundation and Property Value Decline Funds);
 - Approved TEA Maximum Compressed Tax (MCR) for 2023-24.

Further review of budget projections will be distributed at the meeting.

REPORTS

A. Business Reports

Carol Sue Hipp will present to the Board the following information:

1. July Expenditures
2. Tax Collections
3. Bond Expenditures

PORT ARANSAS ISD
Expenditure Summary

July 2023 -- Expenditures 2022-23

AMERICAN BANK

Maintenance and Operations	\$ 181,453.13
Payroll	\$ 517,766.30
Transfer to Lone Star	\$ -
PVD Fund -Construction	\$ -
Bond Expenditures	\$ 671,721.90
Total Cash Expenditures/Transfers for Month	<u>\$ 1,370,941.33</u>

LONESTAR INVESTMENT ACCOUNT

Payment for 2022-23 Chapter 49	\$ -
Transfer to American Bank	\$ 1,300,000.00
Worker's Comp Fund	\$ -
Interest & Sinking Fund	\$ -
Total Cash Expenditures/Transfers for Month	<u>\$ 1,300,000.00</u>

TEXAS RANGE

Texas DAILY	\$ -
Texas DAILY - SELECT- Transfer	\$ 210,000.00
Texas TERM Inv.	\$ -
TexasTERM - Certificate of Deposit	\$ -
Total Cash Expenditures/Transfers for Month	<u>\$ 210,000.00</u>

Less Transfers	<u>\$ (1,510,000.00)</u>
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Total Expenditures	<u>\$ 1,370,941.33</u>
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PORT ARANSAS I.S.D. STATEMENT OF REVENUES, EXPENDITURES											
FOR THE ELEVEN MONTHS ENDED			7/31/2023	Percent of the Year :			91.67%				
GENERAL FUND				FOOD SERVICE			DEBT SERVICE				
	BUDGET	ACTUAL		BUDGET	ACTUAL		BUDGET	ACTUAL			
	(12 Months)	(11 Months)	% of	(12 Months)	(11 Months)	% of	(12 Months)	(11 Months)	% of		
	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23	2022-23		
REVENUES:											
5700	Local, Intermediate & Out-of-State	36,057,707	37,142,285	103.01%	75,230	71,866	95.53%	3,149,271	3,203,975	101.74%	
5800	State Program Revenues	701,673	600,401	85.57%	1,500	13,966	931.09%	C	8,984	100.00%	
5900	Federal Program Revenues	21,456		0.0%	97,677	137,764	141.04%	D			
Revenues		36,780,836	37,742,687	102.62%	174,407	223,596	128.20%	3,149,271	3,212,959	102.02%	
EXPENDITURES:											
11	Instruction	(4,171,750)	(3,554,341)	85.20%							
12	Instructional Resources & Media Services	(90,505)	(83,512)	92.27%							
13	Curriculum & Personnel Development	(4,575)	(4,286)	93.69%							
21	Instructional Development	(358,383)	(313,997)	87.61%							
23	School Administration	(487,749)	(439,737)	90.16%							
31	Guidance & Counseling	(193,178)	(165,309)	85.57%							
32	Attendance & Social Work Services	0	0	0.00%							
33	Health Services	(66,836)	(59,328)	88.77%							
34	Pupil Transportation - Regular	(114,068)	(93,144)	81.66%							
35	Food Service	(14,873)	(20,606)	138.55%	B	(291,551)	(271,909)	93.26%			
36	Co-Curricular Activities	(432,860)	(389,526)	89.99%							
41	General Administration	(583,980)	(544,126)	93.18%							
51	Plant Maintenance & Operations	(1,665,234)	(1,433,612)	86.09%							
52	Safety & Security	(55,196)	(46,309)	83.90%							
53	Computer Processing	(88,296)	(82,389)	93.31%							
61	Community Service	(500)	0	0.00%							
71	Debt Service	0	0	0.00%				(1,698,071)	(1,250,481)	73.64%	
81	Facility Construction	0	(71,023)	0.00%							
91	Chapter 49 Payments	(28,590,654)	(15,050)	0.05%							
95	JJAEP	(2,000)	0	0.00%							
99	Tax Appraisal District	(365,000)	(328,313)	89.95%	A						
6XXX	Total Expenditures	(37,285,637)	(7,644,608)	20.50%		(291,551)	(271,909)	93.26%	(1,698,071)	(1,250,481)	73.64%
	Other Resources and Uses										
7990	Other Resources			0.00%	117,144	60,032	0.00%			0.00%	
8990	Other Uses	(117,144)	60,032	-51.25%			0.00%	(1,451,200)		0.00%	
Total Other Resources and (Uses)		117,144	(60,032)	51.25%	117,144	60,032	0.00%	1,451,200	0	0.00%	
Resources over Expenditures & Other Uses		(621,945)	30,158,110	133.36%	0	11,718	34.94%	0	1,962,478	28.38%	
	A	Appraisal district fees-assessment 20% higher than their projections. A budget amendment is needed before year end.									
	B	Costs transferred from the Food Service for procurement restrictions. A budget amendment is needed before year end.									
	C	Increases due to increased grants from TDA (Supply Chain Deliver Fees).									
	D	Student lunch participation and Fresh Fruit & Vegetable grant increased funding.									

PORT ARANSAS I.S.D. STATEMENT OF REVENUES, EXPENDITURES							
FOR THE ELEVEN MONTHS ENDED				7/31/2023			
		SPECIAL REVENUE		DONATIONS		BOND EXPENDITURES	
		BUDGET	ACTUAL	DESCRIPTION	ACTUAL	BUDGET	ACTUAL
		(12 Months)	(11 Months)		To Date	Total Budget	To Date
		2022-23	2022-23	2022-23	2022-23	2022-23	2022-23
REVENUES:							
5700	Local, Intermediate & Out-of-State	0	37,511	40,121	42,921	Interest Revenue	82,746
5800	State Program Revenues	205,714	4,387				
5900	Federal Program Revenues	1,059,396	820,132				
Revenues		1,265,110	862,030	40,121	42,921	0	82,746
EXPENDITURES:							
11	Instruction	(730,315)	(509,983)	(60,875)	(28,985)	(327,159)	(29,503)
12	Instructional Resources & Media Services	(1,015)	0	(6,467)	(1,000)	(13,362)	(6,082)
13	Curriculum & Personnel Development	(9,700)	(5,033)	(3,517)	(475)		
21	Instructional Development	(192,775)	(186,691)				
23	School Administration	(12,752)	(7,263)				
31	Guidance & Counseling	(48,533)	(31,930)	(20,642)	(4,320)		
32	Attendance & Social Work Services	0	0				
33	Health Services	(2,015)	(1,015)				
34	Pupil Transportation - Regular	0	0			(41,000)	(30,061)
35	Food Service	(1,000)	(1,015)				
36	Co-Curricular Activities	(15)	0	(42,029)	(11,880)	(211,051)	(47,259)
41	General Administration	(7,696)	(4,604)	(2,126)			
51	Plant Maintenance & Operations	(2,015)	(1,015)	(157)		(1,415,519)	(1,531,501)
52	Safety & Security	(254,714)	(92,544)			(175,213)	(57,782)
53	Computer Processing	(2,015)	0				
61	Community Service	(550)	0				
71	Debt Service						
81	Facility Construction					(451,319)	(3,688)
91	Chapter 49 Payments						
95	JJAEP						
99	Tax Appraisal District						
6XXX	Total Expenditures	(1,265,110)	(841,092)	(135,814)	(46,660)	(2,634,623)	(1,705,876)
Other Resources and Uses							
7990	Other Resources						
8990	Other Uses						
Total Other Resources and (Uses)		0	0	0	0	0	0
Resources over Expenditures & Other Uses		0	20,937	(95,693)	(3,739)	(2,634,623)	(1,623,131)
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PORT ARANSAS ISD
Campus and Student Activity Funds
 July 2023

Acct #	Acct Description	Number	Date	Work Description	Work Description	Expend
Student Activity						
1 12	ACT-PAHS CHEERLEADERS	080076	20230720	UNIVERSAL CHEERLEADERS ASSOC.	Cheer Camp Balance-Siddall	1,636.00
1 12	ACT-PAHS CHEERLEADERS	080091	20230727	VARSITY SPIRIT CORPORATION	Cheer Uniforms-Siddall	3,261.71
						4,897.71
Campus Activity						
0 00	CAMPUS ACTIVITY-MAINTENANCE	080087	20230727	PETE COWEN	Maint/Cust Eduhero Mtg Lunch	369.35
						369.35
Total Monthly Expenses						<u><u>5,267.06</u></u>

PAID SCHOLARSHIPS Transaction List by Date July 2023

	Type	Date	Num	Name	Memo	Split	Amount
Jul 23	Check	07/10/2023	5593	HANNAH BAKER	HOUSING 2023-2024 UT	230126 HANNAH BAKER	-16,600.00
	Check	07/13/2023	5594	BAYLOR UNIVERSITY	TUITION FALL 2023	230118 SYLVANNA RICH	-5,000.00
	Check	07/13/2023	5595	DEL MAR COLLEGE	TUITION FALL 2023	230078 MOLLIE SHEFFIELD	-1,611.00
	Check	07/13/2023	5596	JENNIFER CLARK	ENROLLMENT FALL 2023	230047 JENNIFER CLARK	-3,000.00
	Check	07/13/2023	5597	TEXAS A&M UNIVERISTY	TUITION FALL 2023	230120 MADISON MOORE	-8,150.00
	Check	07/17/2023	5598	MOLLIE SHEFFIELD	ENROLLMENT FALL 2023	230078 MOLLIE SHEFFIELD	-4,250.00
	Check	07/17/2023	5599	ELISH BRENNAN	ENROLLMENT FALL 2023 (CON...	220011 ELISH BRENNAN	-2,500.00
	Check	07/17/2023	5600	TEXAS LUTHERN UNIVE...	TUITION FALL 2023	230047 JENNIFER CLARK	-5,750.00
	Check	07/17/2023	5601	UTSA FISCAL SERVICES	TUITION FALL 2023	210089 NATHALIE JEWELL	-3,350.00
	Check	07/18/2023	5602	TEXAS LUTHERN UNIVE...	TUITION FALL 2023	230030 KRISTOPHER JONES	-9,074.00
	Check	07/18/2023	5603	DEL MAR COLLEGE	TUITION FALL 2023	230140 FRANKLIN PLOEG	-2,000.00
	Check	07/24/2023	5604	SUSAN KLEINHANS	HOUSING SPRING 2023	220006 DAVID KLEINHANS	-4,900.00
	Check	07/24/2023	5605	UTSA FISCAL SERVICES	TUITION FALL 2023	230110 MADDIE STEGENGA	-6,250.00
	Check	07/25/2023	5606	MADDIE STEGENGA	ENROLLMENT FALL 2023	230110 MADDIE STEGENGA	-3,400.00
	Check	07/25/2023	5607	BAYLOR UNIVERSITY	TUITION FALL 2023	230139 ALEJANDRO MUNOZ	-2,650.00
	Check	07/26/2023	5608	THE UNIVERSITY OF TEX...	TUITION FALL 2023	230005 MARK HERNDON	-5,693.00
	Check	07/26/2023	5609	MARK HERNDON	ENROLLMENT FALL 2023	230005 MARK HERNDON	-3,750.00
	Check	07/26/2023	5610	RIDGE NERI	ENROLLMENT FALL 2023	230134 RIDGE NERI	-2,350.00
	Check	07/26/2023	5611	KELLY NERI	TUITION REIMBURSEMENT FAL...	230134 RIDGE NERI	-850.00
	Check	07/31/2023	5612	DANIEL GALVAN, III	TUITION REIMBRUSE FALL 2023	230084 DANIEL GALVAN	-1,555.00
	Check	07/31/2023	5613	ROBERT OZZIE PHILLIPS	CONTINUNG EDUCATION FUND...	210005 OZZIE PHILLIPS	-4,100.00
	Check	07/31/2023	5614	TAYLOR SULLIVAN	CONTINUNG EDUCATION FUND...	220087 TAYLOR SULLIVAN	-2,900.00

Jul 23

PORT ARANSAS I.S.D.

SCHEDULE OF YEAR-TO DATE TAX COLLECTIONS

	BUDGET 2022/23	YEAR TO DATE 7/30/2023	% OF BUDGET
LOCAL TAXES/GENERAL FUND			
TAXES/CURRENT YEAR	\$35,451,926.00	\$ 36,103,954.78	
Less: Discounts	(700,818.00)	(706,338.74)	
TAXES/PRIOR YEARS	773,882.00	159,261.94	
PENALTY AND INTEREST	467,178.00	285,131.46	
	<u>35,992,168.00</u>	<u>35,842,009.44</u>	99.58%
LOCAL TAXES/DEBT SERVICE FUND			
TAXES-CURRENT YEAR	3,101,438.00	3,155,378.77	
Less: Discounts	(61,244.00)	(61,379.67)	
TAXES-PRIOR YEARS	65,176.00	12,906.00	
PENALTY AND INTEREST	40,080.00	22,931.50	
	<u>3,145,450.00</u>	<u>3,129,836.60</u>	99.50%
TOTAL COLLECTED	<u>39,137,618.00</u>	<u>38,971,846.04</u>	99.58%

TAX COLLECTION COMPARRISON AS OF MONTH END			<u>7/30/2023</u>
	TOTAL BUDGETED	YEAR TO DATE COLLECTED	% OF BUDGET
2021/22 SCHOOL YEAR	29,039,085.00	29,468,386.34	101.48%
2022/23 SCHOOL YEAR	39,137,618.00	38,971,846.04	99.58%

PORT ARANSAS ISD
Bond 2017 Expenditure Report

As of 8/2/2023

Bond - 2017 Description	Bond Budget 09/01/2022 to 08/31/2023	Spent & Encumbered	Funds Available at 08/01/2023
TECHNOLOGY			
BOND/ SUPPORT HOURS	11,713.90	9,084.28	2,629.62
BOND/ DISTRICT EQUIPMENT	36,925.37	36,705.92	219.45
BOND/ TECH MAINT SUPPLIES	8,000.00	4,485.99	3,514.01
BOND/ HS-TECH MAINT SUPPLIES	7,601.74	516.90	7,084.84
BOND/ BMS-TECH MAINT SUPPLIES	5,881.20		5,881.20
BOND/ OES-TECH MAINT SUPPLIES	9,802.15	4,645.74	5,156.41
	79,924.36	55,438.83	24,485.53
OTHER EXPENSES			
BOND/ PROF SERVICES (ARCHIT)	15,192.00	15,192.00	-
	15,192.00	15,192.00	-
Current Year Budget and Expenses	95,116.36	70,630.83	24,485.53
RECRUITMENT & RETENTION OF TOP-QUALITY STAFF			
BOND/ EMPLOYEE HOUSING	360,000.00	-	360,000.00
	360,000.00	-	360,000.00
PRIOR YEAR EXPENSES			
2021-22 EXPENDITURES	668,652.35		
2020-21 EXPENDITURES	475,441.05		
2019-20 EXPENDITURES	1,831,645.28		
2018-19 EXPENDITURES	1,922,299.19		
2017-18 EXPENDITURES	677,108.91		
2016-17 EXPENDITURES	630,356.69		
	6,205,503.47	-	-
TOTAL	6,660,619.83	70,630.83	384,485.53

PORT ARANSAS ISD
Bond 2021 - Expenditure Report

8/2/2023

Bond - 2021 Description	Bond Budget for 2022/23	Spent & Encumbered	Funds Available at 08/01/2023
Major Maintenance			
BOND/TRANSPORTATION CONT MAINT	29,944.70	28,312.92	1,631.78
BOND/TRANSPORTATION SUPPLIES	2,500.00	2,462.43	37.57
BOND/SUMMER SALARY	22,093.90	22,093.90	-
BOND/ANNUAL INSPECTIONS	33,555.30	33,555.30	-
BOND/DIST WIDE ASBESTOS REPORT	6,802.00	6,802.00	-
BOND/HS ACE-SPED ROOM REPAIR	3,000.00	3,000.00	-
BOND/SP GUTTERS @ ACE, OES, MAINT	9,850.00	9,850.00	-
BOND/SP PAINT OES PRIN OFFICE	1,950.00	1,950.00	-
BOND/CONTRACT MAINT-REPAIR	55,533.15	55,140.08	393.07
BOND/CONTR MNT/GROUNDS	10,461.38	10,461.38	-
BOND/SP RELAMP ALL GYMS	9,250.00	9,250.00	-
BOND/FOOD SERVICE CONT MAINT-REPAIR	2,500.00	1,391.84	1,108.16
BOND/MS GYM WTR FOUNTAIN	5,146.94	5,146.94	-
BOND/SUPPLIES MAINT & REPAIRS	52,058.08	49,785.39	2,272.69
BOND/SUPPLIES GROUNDS	3,413.57	1,653.61	1,759.96
BOND/HERBICIDES & PESTICIDES	3,500.00	2,824.38	675.62
BOND/SP SHELVES IN OLD HS SHOP	6,750.00	6,750.00	-
BOND/SP HS ART ROOM CABINETS	26,750.00	26,750.00	-
	285,059.02	277,180.17	7,878.85
Instructional Materials			
BOND/HS-LIBRARY BOOKS/MEDIA	3,361.88	660.80	2,701.08
BOND/OES-LIBRARY BOOKS/MEDIA	5,000.00	4,731.48	268.52
BOND/MS-LIBRARY BOOKS/MEDIA	5,000.00	3,510.65	1,489.35
BOND/HS INSTRUCTIONAL MAT	3,688.86	-	3,688.86
BOND/OES INSTRUCTIONAL MAT	977.39	-	977.39
BOND/MS INSTRUCTIONAL MAT	1,802.41	-	1,802.41
	19,830.54	8,902.93	10,927.61
Security			
BOND/SAFETY EQUIP & UPGRADES	74,914.95	69,456.56	5,458.39
BOND/ADMIN SECURE ENT	35,000.00	5,279.99	29,720.01
BOND/CAMERA REPLACE/ADDITIONS	65,298.26	14,417.29	50,880.97
	175,213.21	89,153.84	86,059.37
Technology			
BOND/ DISTRICT TECH EQUIPMENT	175,000.00	-	175,000.00
	175,000.00	-	175,000.00
Athletics			
BOND/ ATH EQUIPMENT & UNIFORMS	61,051.02	61,043.09	7.93
BOND/EXTEND TURF SPORTS AREA	100,000.00	-	100,000.00
BOND/REPLACE SOFTBALL FENCING	50,000.00	-	50,000.00
	211,051.02	61,043.09	150,007.93

PORT ARANSAS ISD
Bond 2021 - Expenditure Report

8/2/2023

Instructional			
BOND/MS SCIENCE LAB EQUIP	115.35	115.35	-
BOND/FURNITURE	65,650.36	42,636.53	23,013.83
	65,765.71	42,751.88	23,013.83
Campus Improvements			
BOND/OES-ACE BACK DOOR	13,565.00	13,565.00	-
BOND/HVAC REPAIR & UPGRADE	431,049.51	375,214.80	55,834.71
BOND/HVAC Equipment Summer 2023	190,150.00	190,150.00	-
BOND/BMS Lightning Strike	5,000.00	13,020.00	(8,020.00)
BOND/MOVE HS GYM AIR HANDLERS	200,000.00	-	200,000.00
BOND/PAINT OES CAFETERIA	10,250.00	10,250.00	-
BOND/SHOP FENCING	13,866.39	13,866.39	-
BOND/OES LIB FRONT	40,550.00	40,550.00	-
BOND/HS ART PATIO	91,319.19	91,319.19	-
	995,750.09	747,935.38	247,814.71
BOND/EMPLOYEE HOUSING	360,000.00	3,687.00	356,313.00
BOND/ PROF SERVICES(ARCHIT/ENG	172,865.00	162,434.92	10,430.08
BOND/ CONTINGENCY	78,971.01	-	78,971.01
	611,836.01	166,121.92	445,714.09
	2,539,505.60	1,393,089.21	1,146,416.39

PORT ARANSAS ISD
Bond 2023 Expenditure Report

As of 8/2/2023

Bond - 2023 Description	Bond Budget for 2022/23	Spent & Encumbered	Funds Available at 8/1/2023
Athletics			
BOND/ATH EQUIPMENT & UNIFORMS	-	1,788.46	1,788.46
		1,788.46	1,788.46
Campus Improvements			
BOND/ARCH-KIT & FINE ARTS	-	830,500.00	830,500.00
BOND/HVAC Tsk#07-MS &HS Instal	-	1,177,354.00	1,177,354.00
BOND/HVAC Tsk#11-4AHU at Admin	-	42,430.00	42,430.00
		2,050,284.00	2,050,284.00
Total		2,052,072.46	2,052,072.46

REPORTS

B. Superintendent's Report

The Superintendent will present to the Board the following information:

1. Marlin Pride Initiative
2. Campus/Department Reports

CONSENT AGENDA

Action Item:

Consent agenda shall include items of a routine and/or recurring nature grouped together under one action item. For each item listed as part of a consent agenda, the Board shall be furnished with background material. All such items shall be acted upon by one vote without separate discussion, unless a Board member requests that an item be withdrawn for individual consideration. The remaining items shall be adopted under a single motion and vote

RATIONALE: BE (LOCAL)

BUDGET: No Financial Impact

RECOMMENDATION: Accept the superintendent's recommendation to approve the consent agenda as presented.

CONSENT AGENDA

Minutes of Previous Meetings

Action Item:

The Board will consider approval of the Special Board Meeting Minutes dated July 17, 2023 and the Regular Board Meeting Minutes dated July 26, 2023. The minutes of the board meetings listed are enclosed. If you believe there are errors, please notify Rosalie Johnson before the meeting so that the necessary corrections can be made.

- RATIONALE:** According to BE (Local), minutes must be approved by the Board and entered as the legal record of Board action.
- BUDGET:** No Financial Impact
- RECOMMENDATION:** Accept the superintendent's recommendation to approve board meeting minutes as presented.

The Board of Trustees Minutes

Port Aransas Independent School District
Port Aransas, Texas

Special Meeting

Regular Meeting date, time and place: July 17, 2023 at 8:00 A.M. in the Board Room of the PAISD Administration Building.

Members Present: Daniel Johnson, Marnie Pate, Kristi Littleton, Leslie Mills & Cherrie Stunz

Members Absent: Marc Hofhiens & Brett Stawar

Administration: Tisha Piwetz

- I. The meeting was called to order by Board President, Daniel Johnson at **8:00 a.m.**
- III. PUBLIC TESTIMONY - None
- VIII. CLOSED SESSION
The board will adjourn into Executive Session at **8:00 a.m.** in accordance with the Texas Open Meeting Act, Texas Government Code 551.071 thru 551.083 to consider the following:
 - A. Personnel: Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, and Dismissal of Employee(s).
 - B. Discuss Certified Educator Contract(s).
- IX. OPEN SESSION the board reconvened into open session at **8:05 a.m.**
 - A. **Cherrie Stunz** made a motion, seconded by **Leslie Mills** to approve a one-year probationary educator contract for Jamie Preston for the 2023-2024 school year.
- X. ADJOURN – The board meeting was adjourned at **8:05 a.m.**

Daniel Johnson, Board President

Kristi Littleton, Board Secretary

August 9, 2023
Date Approved

The Board of Trustees Minutes

Port Aransas Independent School District
Port Aransas, Texas

Regular Meeting

Regular Meeting date, time and place: July 26, 2023 at 6:00 P.M. in the Board Room of the PAISD Administration Building.

Members Present: Daniel Johnson, Marnie Pate, Marc Hofhiens, Brett Stawar and Leslie Mills

Members Absent: Kristi Littleton, Cherrie Stunz

Administration: Sharon McKinney, Tisha Piwetz, Carol Sue Hipp, David Swartwout, James Garrett
Steve Reaves & George Lerma

-
- I. The meeting was called to order by Board President, Daniel Johnson at **6:00 P.M.**
 - A. Moment of Silence and Pledge of Allegiance led by James Garrett, Principal Brundrett Middle School
 - II. PRESENTATIONS
 - A. AP/OnRamps Update presented by David Swartwout, Principal Port Aransas High School
 - III. COMMENTS
 - A. Public Testimony - NONE
 - B. Board of Trustee Acknowledgments - NONE
 - IV. BUDGET WORKSHOP presented by Carol Sue Hipp
 - V. REPORTS
 - A. Business Reports presented by Carol Sue Hipp
 1. June Expenditures
 2. Tax Collections
 3. Bond Expenditures
 4. School Nutrition Update
 - B. Superintendent Reports presented by Sharon McKinney
 1. Technology Overview
 2. Board Meeting Dates 2023-2024
 - VI. CONSENT AGENDA

Marnie Pate made a motion, second by Leslie Mills to approve the consent agenda as presented.

All board members present approved the motion; motion carried unanimously.

 - A. The board accepted the superintendent's recommendation to approve the regular board meeting minutes dated June 13, 2023 as presented.
 - B. The board accepted the superintendent's recommendation to approve the investment report as submitted.
 - C. The board accepted the superintendent's recommendation to designate Carol Sue Hipp, Executive Director of Business Operations to calculate and prepare the 2023 No-New Revenue and Voter-Approval Tax Rates for Port Aransas ISD as presented.
 - D. The board accepted the superintendent's recommendation to approve purchase of attendance credits option 3 agreement as presented.

- E. The board accepted the superintendent’s recommendation to approve delegate contractual authority to obligate the school district under Texas Education Code (TEC) §11.1511(c)(4) to the superintendent, solely for the purpose of obligating the district under TEC, §48.257 and TEC, Chapter 49, Subchapters A and D, and the rules adopted by the commissioner of education as authorized under TEC, 49.006. This authority includes approval of the Agreement for the Purchase of Attendance Credit as presented.
- F. The board accepted the superintendent’s recommendation to set the date/time for public hearing on budget and proposed tax rate for Port Aransas ISD to be on Wednesday, August 30, 2023 @ 6:00 p.m. as presented.
- G. The board accepted the superintendent’s recommendation to approve the PAISD 2023-2024 district professional development plan as presented.
- H. The board accepted the superintendent’s recommendation for the review with no changes to the PAISD Plan for uses of ARP ESSER III Funds as presented.
- I. The board accepted the superintendent’s recommendation to approve the following meal cost for the 2023-2024 school year: BMS and PAHS school student meal cost of \$3.00 per lunch and \$2.00 per breakfast. OES student meal cost of \$2.75 per lunch and \$1.75 per breakfast as presented.
- J. The board accepted the superintendent’s recommendation to approve purchases over \$25,000.00 as presented.

VII. DISCUSSION AND/OR ACTION ITEMS

- A. **Marc Hofhiens** made a motion, seconded by **Brett Stawar** to accept the superintendent’s recommendation to approve TASB local board policy update 121 as presented. All board members present approved the motion; motion carried unanimously.
- B. **Leslie Mills** made a motion, seconded by **Marnie Pate** to accept the superintendent’s recommendation to approve Weaver and Jacobs Contractors to serve as the Construction Manager at Risk for the Port Aransas 2023 Bond Projects as presented. All board members present approved the motion; motion carried unanimously.

Board President Daniel Johnson noted item VII (C) will be stricken from the agenda

- ~~C. Consider/Take Possible Action to approve FTZ (Federal Trade Zone) Agreement.~~ This item was stricken from the agenda.

VIII. CLOSED SESSION

The board will adjourn into Executive Session at **7:08 P.M.** in accordance with the Texas Open Meeting Act, Texas Government Code 551.071 thru 551.083 to consider the following:

- A. Personnel: Deliberate the Appointment, Employment, Evaluation, Reassignment, Duties, Discipline, and Dismissal of Employee(s).
- B. Discuss Certified Educator Contract(s).

IX. OPEN SESSION the board reconvened into open session at **7:41 P.M.**

- A. **Marnie Pate** made a motion, seconded by **Marc Hofhiens** to approve a one year probationary Dual Assignment contract to Kayla Sheffield for the 2023-2024 school year. All board members present approved the motion; motion carried unanimously.

X. ADJOURN – The board meeting was adjourned at **7:42 P.M.**

Daniel Johnson, Board President

Kristi Littleton, Board Secretary

August 9, 2023
Date Approved

CONSENT AGENDA

Monthly Investment Report

Action Item:

The Board will consider approval of the Monthly Investment Report.

RATIONALE: CDA (Local)

BUDGET: No Financial Impact

RECOMMENDATION: Accept the Superintendent's recommendation to approve the monthly investment report as presented.


**PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
DEPOSITS AND INVESTMENTS BY TYPE AND FUND 07/31/2023**

	Beginning Balance	Receipts	Expenditures	Transfers	Service Fees	Interest Earned	Ending Balance	Interest Rate	Estimated Earnings at Maturity
	7/1/2023						7/31/2023		
AMERICAN BANK									
General Fund	\$ 355,382.57	128,393.08	(1,370,941.93)	1,510,000.00	-	-	\$ 622,833.72	0.00%	
Interest & Sinking	\$ 28,203.59						\$ 28,203.59	0.00%	
Disaster Relief/Donation	\$ 201,293.41						\$ 201,293.41	0.00%	
Scholarship Funds	\$ 714,719.17	8,500.00	(61,785.00)				\$ 661,434.17	0.00%	
Harvey/FEMA	\$ 163,799.80						\$ 163,799.80	0.00%	
	\$ 1,463,398.54	136,893.08	(1,432,726.93)	1,510,000.00	-	-	\$ 1,463,398.54		
TEXAS RANGE - General Fund									
TexasDAILY	\$ -			747,946.29		1,173.17	\$ 749,119.46	5.15%	
TexasDAILY Select	\$ 9,849,426.91			9,283,960.53		67,971.87	\$ 19,201,359.31	5.31%	
CDs	\$ 735,000.00			(747,887.67)		12,887.67	\$ (0.00)		
TexasTERM	\$ 17,678,000.00			(9,284,019.15)		246,019.15	\$ 8,640,000.00	3.92% to 5.07%	\$ 254,320.93
	\$ 28,262,426.91	-	-	-	-	328,051.86	\$ 28,590,478.77		
TEXAS RANGE - Property Value Decline									
TexasDAILY	\$ -			-			\$ -		
TexasDAILY Select	\$ 119.64			49,480.21		263.60	\$ 49,863.45	5.31%	
TexasTERM	\$ 6,193,796.96			(259,480.21)		9,480.21	\$ 5,943,796.96	4.22% to 5.32%	\$ 224,251.71
CD's	\$ 240,000.00						\$ 240,000.00	5.48%	\$ 9,728.88
	\$ 6,433,916.60	-	-	(210,000.00)	-	9,743.81	\$ 6,233,660.41		
LONE STAR / FIRST PUBLIC									
General Fund	\$ 10,283,718.20	88,382.15		(1,300,000.00)		45,029.65	\$ 9,117,130.00	5.3630%	
Interest & Sinking	\$ 2,000,049.85	7,811.10				9,134.49	\$ 2,016,995.44	5.3630%	
Worker's Comp	\$ 42,962.08					186.26	\$ 43,148.34	5.3630%	
Bond 2017-A	\$ 20,736.76					94.43	\$ 20,831.19	5.3630%	
Bond 2021	\$ 1,511,640.67					6,887.49	\$ 1,518,528.16	5.3630%	
	\$ 13,859,107.56	96,193.25	-	(1,300,000.00)	-	61,332.32	\$ 12,716,633.13		
TOTAL	\$ 50,018,849.61	233,086.33	(1,432,726.93)	-	-	399,127.99	\$ 49,004,170.85		\$ 488,301.52

COMPLIANCE CERTIFICATION

We hereby certify the Monthly Investment Report represents the investment position of the district at month end and that all investments were purchased in compliance with the board approved cash management and investment policy.

Benchmarks:	
3-month T-Bill	5.250%
6-month T-Bill	5.280%
1-year T-Bill	5.340%
TexPool Prime	5.360%
TexPool	5.124%


 Carol Sue Hipp, Exec. Dir. of Business & Operations

Participant #: 178908

Lone Star™ July 2023
Investment Pool **Monthly Statement**

Statement Period: 07/01/2023 to 07/31/2023

Carol Sue Hipp
Port Aransas ISD
100 Station Street
Port Aransas, Texas 78373



Summary of Portfolio Holdings

Account	Fund	Number of Shares	Price Per Share	Account Balance	% Port.
Construction - 2017A	Corporate Overnight Plus Fund	20,831.19	1.00	20,831.19	0.16%
Totals:				20,831.19	

Account	Fund	Number of Shares	Price Per Share	Account Balance	% Port.
Construction Bond 2021	Corporate Overnight Plus Fund	1,518,528.16	1.00	1,518,528.16	11.94%
Totals:				1,518,528.16	

Account	Fund	Number of Shares	Price Per Share	Account Balance	% Port.
General Fund	Corporate Overnight Plus Fund	9,117,130.00	1.00	9,117,130.00	71.71%
Totals:				9,117,130.00	

Account	Fund	Number of Shares	Price Per Share	Account Balance	% Port.
Interest & Sinking Fund	Corporate Overnight Plus Fund	2,016,995.44	1.00	2,016,995.44	15.86%
Totals:				2,016,995.44	

Account	Fund	Number of Shares	Price Per Share	Account Balance	% Port.
Workers Compensation Fund	Corporate Overnight Plus Fund	41,064.88	1.00	41,064.88	0.33%
Totals:				41,064.88	

Totals

Fund	Yield	Share Quantity	Price Per Share	Fund Balance (USD)	% Port.
Corporate Overnight Fund	0.00 %	0.00	1.00	0.00	0.00 %
Government Overnight Fund	0.00 %	0.00	1.00	0.00	0.00 %
Corporate Overnight Plus Fund	5.37 %	12,714,549.67	1.00	12,714,549.67	100.00 %
		28	Total Value:	12,714,549.67	100.00 %

Portfolio Transactions

Construction - 2017A - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
07/01/2023	Starting Balance	20,736.76			20,736.76
07/31/2023	Interest	20,831.19	94.43	1.00	94.43
07/31/2023	Ending Balance	20,831.19			20,831.19

Construction Bond 2021 - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
07/01/2023	Starting Balance	1,511,640.67			1,511,640.67
07/31/2023	Interest	1,518,528.16	6,887.49	1.00	6,887.49
07/31/2023	Ending Balance	1,518,528.16			1,518,528.16

General Fund - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
07/01/2023	Starting Balance	10,280,070.78			10,280,070.78
07/03/2023	Deposit	10,282,930.20	2,859.42	1.00	2,859.42
07/05/2023	Deposit	10,283,718.20	788.00	1.00	788.00
07/06/2023	Deposit	10,296,755.37	13,037.17	1.00	13,037.17
07/07/2023	Deposit	10,344,409.43	47,654.06	1.00	47,654.06
07/12/2023	Withdrawal	9,844,409.43	-500,000.00	1.00	-500,000.00
07/25/2023	Deposit	9,848,666.00	4,256.57	1.00	4,256.57
07/26/2023	Deposit	9,849,479.20	813.20	1.00	813.20
07/27/2023	Deposit	9,869,620.10	20,140.90	1.00	20,140.90
07/27/2023	Withdrawal	9,069,620.10	-800,000.00	1.00	-800,000.00
07/28/2023	Deposit	9,071,837.26	2,217.16	1.00	2,217.16
07/31/2023	Deposit	9,072,100.35	263.09	1.00	263.09
07/31/2023	Interest	9,117,130.00	45,029.65	1.00	45,029.65
07/31/2023	Ending Balance	9,117,130.00			9,117,130.00

Interest & Sinking Fund - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
07/01/2023	Starting Balance	1,999,699.25			1,999,699.25
07/03/2023	Deposit	1,999,973.13	273.88	1.00	273.88
07/05/2023	Deposit	2,000,049.85	76.72	1.00	76.72
07/06/2023	Deposit	2,001,188.79	1,138.94	1.00	1,138.94
07/07/2023	Deposit	2,005,331.53	4,142.74	1.00	4,142.74
07/21/2023	Deposit	2,005,360.75	29.22	1.00	29.22
07/24/2023	Deposit	2,005,385.21	24.46	1.00	24.46
07/25/2023	Deposit	2,005,823.49	438.28	1.00	438.28
07/26/2023	Deposit	2,005,886.88	63.39	1.00	63.39
07/27/2023	Deposit	2,007,644.77	1,757.89	1.00	1,757.89
07/28/2023	Deposit	2,007,837.97	193.20	1.00	193.20
07/31/2023	Deposit	2,007,860.95	22.98	1.00	22.98
07/31/2023	Interest	2,016,995.44	9,134.49	1.00	9,134.49
07/31/2023	Ending Balance	2,016,995.44			2,016,995.44

Workers Compensation Fund - Corporate Overnight Plus Fund

Settle Date	Trade Type	Share Balance	Number of Shares	Price/Share	Amount (USD)
07/01/2023	Starting Balance	40,878.62			40,878.62
07/31/2023	Interest	41,064.88	186.26	1.00	186.26
07/31/2023	Ending Balance	41,064.88			41,064.88

Important Information about this statement

Please review this statement carefully, it is the official record of your account with Lone Star Investment Pool and First Public, LLC. If you disagree with any transaction, or if there are any errors or omissions in this statement please notify us promptly in writing, but no later than 10 business days after receipt of this statement. Trades pending settlement will not appear on this statement. All such trades will appear in the next monthly statement. The yield for the period is an annualized rate that reflects the relationship between the average amount of income earned and the average daily balance for the account. Please notify First Public promptly and in writing of any changes of address or phone number. Times of transactions will be furnished upon written request. The Lone Star Investment Pool Information Statement should be read carefully before investing. Investors should consider the investment objectives, risks, charges and expenses associated with municipal fund securities before investing. All transactions are no load. No remuneration has, or will be, paid to any entity in connection with this transaction. An investor may obtain an Information Statement by contacting First Public at the address and phone number identified above. An investment in Lone Star investment Pool is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other government agency and although Lone Star Investment Pool seeks to preserve the value of the investment at a fixed share price, it is possible to lose money by investing in municipal fund securities.



Customer Service
PO Box 11760
Harrisburg, PA 17108-11760

ACCOUNT STATEMENT

For the Month Ending
July 31, 2023

Port Aransas ISD

Client Management Team

Nathan Smith

Senior Managing Consultant
180 State Street, Suite 225
Southlake, TX 79092
1-512-781-9887
smithn@pfmam.com

Shelly Ilgenfritz

Client Consultant
213 Market Street
Harrisburg, PA 17101-2141
1-866-839-8376
ilgenfritzs@pfmam.com

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Individual Accounts

Accounts included in Statement

1238-00	GENERAL FUND
1238-02	Property Value Decline

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Important Messages

Texas Range will be closed on 09/04/2023 for Labor Day.

PORT ARANSAS ISD
CAROL SUE HIPP
100 S STATION ST
PORT ARANSAS, TX 78373

Online Access www.texas-range.com

Customer Service 1-866-839-8376



Account Statement

For the Month Ending July 31, 2023

Important Disclosures

Important Disclosures

This statement is for general information purposes only and is not intended to provide specific advice or recommendations. PFM Asset Management LLC ("PFMAM") is an investment adviser registered with the U.S. Securities and Exchange Commission and a subsidiary of U.S. Bancorp Asset Management, Inc. ("USBAM"). USBAM is a subsidiary of U.S. Bank National Association ("U.S. Bank"). U.S. Bank is a separate entity and subsidiary of U.S. Bancorp. U.S. Bank is not responsible for and does not guarantee the products, services or performance of PFMAM. PFMAM maintains a written disclosure statement of our background and business experience. If you would like to receive a copy of our current disclosure statement, please contact Service Operations at the address below.

Proxy Voting PFMAM does not normally receive proxies to vote on behalf of its clients. However, it does on occasion receive consent requests. In the event a consent request is received the portfolio manager contacts the client and then proceeds according to their instructions. PFMAM's Proxy Voting Policy is available upon request by contacting Service Operations at the address below.

Questions About an Account PFMAM's monthly statement is intended to detail our investment advisory activity as well as the activity of any accounts held by clients in pools that are managed by PFMAM. The custodian bank maintains the control of assets and executes (i.e., settles) all investment transactions. The custodian statement is the official record of security and cash holdings and transactions. PFMAM recognizes that clients may use these reports to facilitate record keeping and that the custodian bank statement and the PFMAM statement should be reconciled and differences resolved. Many custodians use a settlement date basis which may result in the need to reconcile due to a timing difference.

Account Control PFMAM does not have the authority to withdraw funds from or deposit funds to the custodian outside the scope of services provided by PFMAM. Our clients retain responsibility for their internal accounting policies; implementing and enforcing internal controls and generating ledger entries or otherwise recording transactions.

Market Value Generally, PFMAM's market prices are derived from closing bid prices as of the last business day of the month as supplied by Refinitiv or Bloomberg. For certain short-term investments or where prices are not available from generally recognized sources the securities are priced using a yield-based matrix system to arrive at an estimated market value. Prices that fall between data points are interpolated. Non-negotiable FDIC-insured bank certificates of deposit are priced at par. Although PFMAM believes the prices to be reliable, the values of the securities may not represent the prices at which the securities could have been bought or sold. Explanation of the valuation methods for a registered investment company or local government investment program is contained in the appropriate fund offering documentation or information statement.

Amortized Cost The original cost of the principal of the security is adjusted for the amount of the periodic reduction of any discount or premium from the purchase date until the date of the report. Discount or premium with respect to short term securities (those with less than one year to maturity at time of issuance) is amortized on a straightline basis. Such discount or premium with respect to longer term securities is amortized using the constant yield basis.

Tax Reporting Cost data and realized gains / losses are provided for informational purposes only. Please review for accuracy and consult your tax advisor to determine the tax consequences of your security transactions. PFMAM does not report such information to the IRS or other taxing authorities and is not responsible for the accuracy of such information that may be required to be reported to federal, state or other taxing authorities.

Financial Situation In order to better serve you, PFMAM should be promptly notified of any material change in your investment objective or financial situation.

Callable Securities Securities subject to redemption prior to maturity may be redeemed in whole or in part before maturity, which could affect the yield represented.

Portfolio The securities in this portfolio, including shares of mutual funds, are not guaranteed or otherwise protected by PFMAM, the FDIC (except for certain non-negotiable certificates of deposit) or any government agency. Investment in securities involves risks, including the possible loss of the amount invested. Actual settlement values, accrued interest, and amortized cost amounts may vary for securities subject to an adjustable interest rate or subject to principal paydowns. Any changes to the values shown may be reflected within the next monthly statement's beginning values.

Rating Information provided for ratings is based upon a good faith inquiry of selected sources, but its accuracy and completeness cannot be guaranteed.

Shares of some local government investment programs and TERM funds are marketed through representatives of PFMAM's affiliate, PFM Fund Distributors, Inc. which is registered with the SEC as a broker/dealer and is a member of the Financial Industry Regulatory Authority ("FINRA") and the Municipal Securities Rulemaking Board ("MSRB"). You may reach the FINRA by calling the FINRA Hotline at 1-800-289-9999 or at the FINRA website address <https://www.finra.org/investors/investor-contacts>. A brochure describing the FINRA Regulation Public Disclosure Program is also available from FINRA upon request.

Key Terms and Definitions

Dividends on local government investment program funds consist of interest earned, plus any discount ratably amortized to the date of maturity, plus all realized gains and losses on the sale of securities prior to maturity, less ratably amortization of any premium and all accrued expenses to the fund. Dividends are accrued daily and may be paid either monthly or quarterly. The monthly earnings on this statement represent the estimated dividend accrued for the month for any program that distributes earnings on a quarterly basis. There is no guarantee that the estimated amount will be paid on the actual distribution date.

Current Yield is the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical fund account with a balance of one share over the seven-day base period including the statement date, expressed as a percentage of the value of one share (normally \$1.00 per share) at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by

365 and dividing the result by 7. The yields quoted should not be considered a representation of the yield of the fund in the future, since the yield is not fixed. **Average maturity** represents the average maturity of all securities and investments of a portfolio, determined by multiplying the par or principal value of each security or investment by its maturity (days or years), summing the products, and dividing the sum by the total principal value of the portfolio. The stated maturity date of mortgage backed or callable securities are used in this statement. However the actual maturity of these securities could vary depending on the level or prepayments on the underlying mortgages or whether a callable security has or is still able to be called.

Monthly distribution yield represents the net change in the value of one share (normally \$1.00 per share) resulting from all dividends declared during the month by a fund expressed as a percentage of the value of one share at the beginning of the month. This resulting net change is then annualized by multiplying it by 365 and dividing it by the number of calendar days in the month.

YTM at Cost The yield to maturity at cost is the expected rate of return, based on the original cost, the annual interest receipts, maturity value and the time period from purchase date to maturity, stated as a percentage, on an annualized basis.

YTM at Market The yield to maturity at market is the rate of return, based on the current market value, the annual interest receipts, maturity value and the time period remaining until maturity, stated as a percentage, on an annualized basis.

Managed Account A portfolio of investments managed discretely by PFMAM according to the client's specific investment policy and requirements. The investments are directly owned by the client and held by the client's custodian.

Unsettled Trade A trade which has been executed however the final consummation of the security transaction and payment has not yet taken place.

Please review the detail pages of this statement carefully. If you think your statement is wrong, missing account information, or if you need more information about a transaction, please contact PFMAM within 60 days of receipt. If you have other concerns or questions regarding your account, or to request an updated copy of PFMAM's current disclosure statement, please contact a member of your client management team at PFMAM Service Operations at the address below.

PFM Asset Management LLC
Attn: Service Operations
213 Market Street
Harrisburg, PA 17101

NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE



Account Statement

For the Month Ending July 31, 2023

Consolidated Summary Statement

Port Aransas ISD

Portfolio Summary			
Portfolio Holdings	Cash Dividends and Income	Closing Market Value	Current Yield
TexasDAILY	1,173.17	749,119.46	5.25 %
Texas TERM	255,499.36	14,583,796.96	* N/A
Texas CD Program	12,887.67	240,000.00	* N/A
TexasDAILY Select	68,176.85	19,251,222.76	5.42 %
Total	\$337,737.05	\$34,824,139.18	

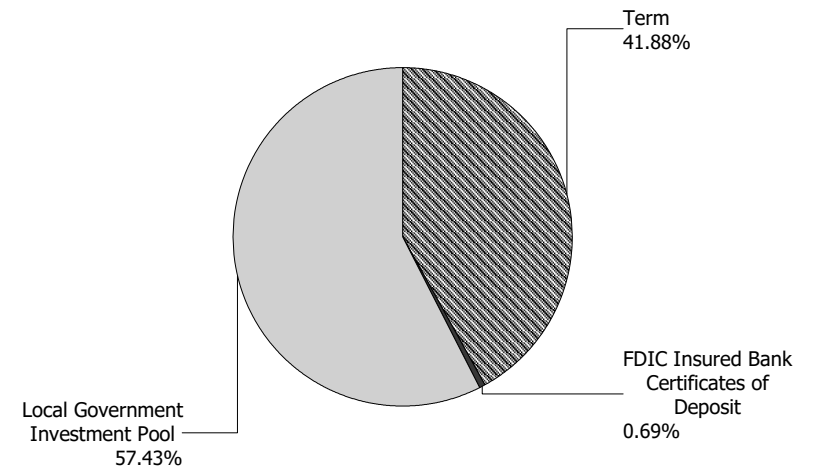
Investment Allocation		
Investment Type	Closing Market Value	Percent
Term Investment	14,583,796.96	41.88
FDIC Insured Bank Certificates of Deposit	240,000.00	0.69
Local Government Investment Pool	20,000,342.22	57.43
Total	\$34,824,139.18	100.00%

Maturity Distribution (Fixed Income Holdings)

Portfolio Holdings	Closing Market Value	Percent
Under 30 days	29,440,342.22	84.54
31 to 60 days	4,507,276.17	12.94
61 to 90 days	386,520.79	1.11
91 to 180 days	490,000.00	1.41
181 days to 1 year	0.00	0.00
1 to 2 years	0.00	0.00
2 to 3 years	0.00	0.00
3 to 4 years	0.00	0.00
4 to 5 years	0.00	0.00
Over 5 years	0.00	0.00
Total	\$34,824,139.18	100.00%

Weighted Average Days to Maturity **11**

Sector Allocation





Account Statement

For the Month Ending **July 31, 2023**

Consolidated Summary Statement

Port Aransas ISD

Account Number	Account Name	Opening Market Value	Purchases / Deposits	Redemptions / Sales/ Maturities	Unsettled Trades	Change in Value	Closing Market Value	Cash Dividends and Income
1238-00	GENERAL FUND	28,262,426.91	10,101,051.86	(9,773,000.00)	0.00	0.00	28,590,478.77	327,993.24
1238-02	Property Value Decline	6,433,916.60	259,743.81	(460,000.00)	0.00	0.00	6,233,660.41	9,743.81
Total		\$34,696,343.51	\$10,360,795.67	(\$10,233,000.00)	\$0.00	\$0.00	\$34,824,139.18	\$337,737.05



Account Statement - Transaction Summary

For the Month Ending **July 31, 2023**

Port Aransas ISD - GENERAL FUND - 1238-00

TexasDAILY	
Opening Market Value	0.00
Purchases	749,119.46
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$749,119.46
Cash Dividends and Income	1,173.17

Texas TERM	
Opening Market Value	17,678,000.00
Purchases	0.00
Redemptions	(9,038,000.00)
Unsettled Trades	0.00
Change in Value	0.00

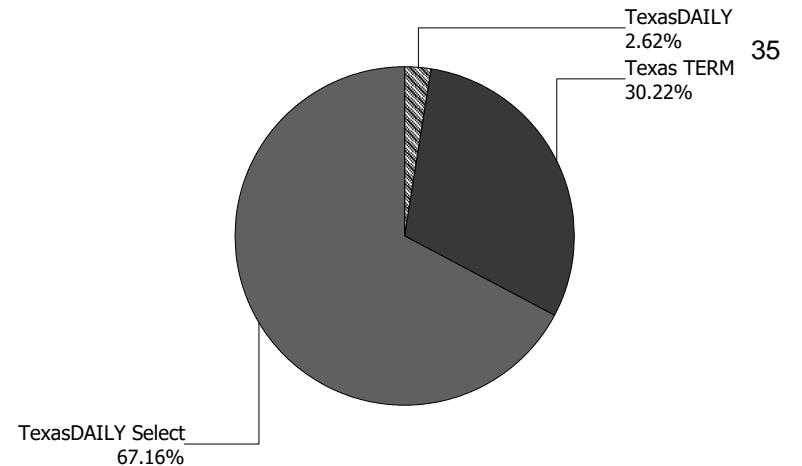
Closing Market Value	\$8,640,000.00
Cash Dividends and Income	246,019.15

Texas CD Program	
Opening Market Value	735,000.00
Purchases	0.00
Redemptions	(735,000.00)
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$0.00
Cash Dividends and Income	12,887.67

Asset Summary		
	July 31, 2023	June 30, 2023
TexasDAILY	749,119.46	0.00
Texas TERM	8,640,000.00	17,678,000.00
Texas CD Program	0.00	735,000.00
TexasDAILY Select	19,201,359.31	9,849,426.91
Total	\$28,590,478.77	\$28,262,426.91

Asset Allocation





Account Statement - Transaction Summary

For the Month Ending **July 31, 2023**

Port Aransas ISD - GENERAL FUND - 1238-00

TexasDAILY Select

Opening Market Value	9,849,426.91
Purchases	9,351,932.40
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00
Closing Market Value	\$19,201,359.31
Cash Dividends and Income	67,913.25



Investment Holdings

For the Month Ending **July 31, 2023**

Port Aransas ISD - GENERAL FUND - 1238-00

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Estimated Earnings	Est. Value at Maturity
Texas TERM							
01/04/23	01/05/23	TERM - Texas TERM Dec 23	08/03/23	5.0700	3,540,000.00	102,277.88	3,643,261.32
01/05/23	01/06/23	TERM - Texas TERM Dec 23	08/03/23	5.0700	4,800,000.00	138,015.12	4,939,348.60
09/01/22	09/01/22	TERM - Texas TERM Dec 23	08/25/23	3.9800	300,000.00	10,925.91	311,711.01
Total					\$8,640,000.00	\$251,218.91	\$8,894,320.93



Account Statement

For the Month Ending **July 31, 2023**

Port Aransas ISD - GENERAL FUND - 1238-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
TexasDAILY					
Opening Balance					0.00
07/21/23	07/21/23	Purchase - Fixed Rate Maturity	1.00	249,309.32	249,309.32
07/21/23	07/21/23	Purchase - Fixed Rate Maturity	1.00	249,220.71	498,530.03
07/21/23	07/21/23	Purchase - Fixed Rate Maturity	1.00	249,357.64	747,887.67
07/31/23	07/31/23	07/21/2023 Bank Of China CD maturity, additional interest	1.00	58.62	747,946.29
07/31/23	08/01/23	Accrual Income Div Reinvestment - Distributions	1.00	1,173.17	749,119.46

Closing Balance **749,119.46**

	Month of July	Fiscal YTD January-July		
Opening Balance	0.00	0.00	Closing Balance	749,119.46
Purchases	749,119.46	1,484,481.97	Average Monthly Balance	265,419.23
Redemptions (Excl. Checks)	0.00	(735,362.51)	Monthly Distribution Yield	5.15%
Check Disbursements	0.00	0.00		
Closing Balance	749,119.46	749,119.46		
Cash Dividends and Income	1,173.17	1,173.22		

TexasDAILY Select

Opening Balance					9,849,426.91
07/10/23	07/10/23	Purchase - TERM Maturity	1.00	6,182,720.55	16,032,147.46
07/24/23	07/24/23	Purchase - TERM Maturity	1.00	3,101,298.60	19,133,446.06



Account Statement

For the Month Ending **July 31, 2023**

Port Aransas ISD - GENERAL FUND - 1238-00

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
TexasDAILY Select					
07/31/23	08/01/23	Accrual Income Div Reinvestment - Distributions	1.00	67,913.25	19,201,359.31
Closing Balance					19,201,359.31

	Month of July	Fiscal YTD January-July		
Opening Balance	9,849,426.91	3,543,705.70	Closing Balance	19,201,359.31
Purchases	9,351,932.40	32,115,018.83	Average Monthly Balance	15,039,689.95
Redemptions (Excl. Checks)	0.00	(16,457,365.22)	Monthly Distribution Yield	5.31%
Check Disbursements	0.00	0.00		
Closing Balance	19,201,359.31	19,201,359.31		39
Cash Dividends and Income	67,913.25	98,772.69		



Account Statement

For the Month Ending **July 31, 2023**

Port Aransas ISD - GENERAL FUND - 1238-00

Trade Date	Settlement Date	Transaction Description	Maturity Date	Rate	Dollar Amount of Transaction
Texas CD Program					
07/21/23	07/21/23	MATURED - CD - First Mid-Illinois Bank & Trust, N.A., IL Original Quantity 245,000.00	07/21/23	5.4100	(249,357.64)
07/21/23	07/21/23	MATURED - CD - Bank Of China, NY Original Quantity 245,000.00	07/21/23	5.2400	(249,220.71)
07/21/23	07/21/23	MATURED - CD - Preferred Bank, CA Original Quantity 245,000.00	07/21/23	5.3500	(249,309.32)
Texas TERM					
07/10/23	07/10/23	Redemption - TERM Maturity			(6,182,720.55)
07/24/23	07/24/23	Redemption - TERM Maturity			(3,101,298.60)
					40



Account Statement - Transaction Summary

For the Month Ending **July 31, 2023**

Port Aransas ISD - Property Value Decline - 1238-02

Texas TERM	
Opening Market Value	6,193,796.96
Purchases	0.00
Redemptions	(250,000.00)
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$5,943,796.96
Cash Dividends and Income	9,480.21

Texas CD Program	
Opening Market Value	240,000.00
Purchases	0.00
Redemptions	0.00
Unsettled Trades	0.00
Change in Value	0.00

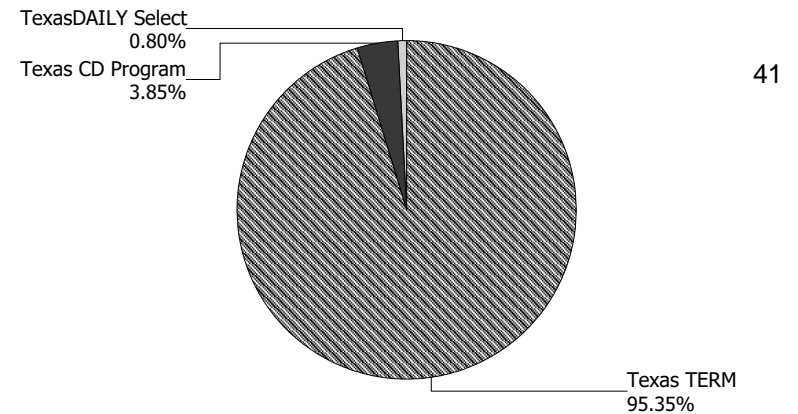
Closing Market Value	\$240,000.00
Cash Dividends and Income	0.00

TexasDAILY Select	
Opening Market Value	119.64
Purchases	259,743.81
Redemptions	(210,000.00)
Unsettled Trades	0.00
Change in Value	0.00

Closing Market Value	\$49,863.45
Cash Dividends and Income	263.60

Asset Summary		
	July 31, 2023	June 30, 2023
Texas TERM	5,943,796.96	6,193,796.96
Texas CD Program	240,000.00	240,000.00
TexasDAILY Select	49,863.45	119.64
Total	\$6,233,660.41	\$6,433,916.60

Asset Allocation





Investment Holdings

For the Month Ending **July 31, 2023**

Port Aransas ISD - Property Value Decline - 1238-02

Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Accrued Interest	Est. Value at Maturity
Texas CD Program							
03/24/23	03/24/23	CD - First Internet Bank Of Indiana, IN	12/19/23	5.48	240,000.00	4,684.28	249,728.88
Total					\$240,000.00	\$4,684.28	\$249,728.88
Trade Date	Settlement Date	Security Description	Maturity Date	Rate	Investment Amount	Estimated Earnings	Est. Value at Maturity
Texas TERM							
12/02/22	12/02/22	TERM - Texas TERM Dec 23	08/29/23	5.2200	800,000.00	27,687.45	830,890.96
09/13/22	09/14/22	TERM - Texas TERM Dec 23	09/13/23	4.2200	762,000.00	28,280.01	794,068.30
12/28/22	12/29/22	TERM - Texas TERM Dec 23	09/22/23	5.0200	1,722,160.55	50,924.05	1,785,401.12
12/27/22	12/27/22	TERM - Texas TERM Dec 23	09/29/23	5.0200	2,023,115.62	60,379.75	2,099,911.98
03/30/23	03/30/23	TERM - Texas TERM Dec 23	10/02/23	5.2600	386,520.79	6,906.97	426,881.24
02/22/23	02/23/23	TERM - Texas TERM Dec 23	12/19/23	5.3200	250,000.00	5,793.70	260,895.07
Total					\$5,943,796.96	\$179,971.93	\$6,168,048.67



Account Statement

For the Month Ending **July 31, 2023**

Port Aransas ISD - Property Value Decline - 1238-02

Trade Date	Settlement Date	Transaction Description	Share or Unit Price	Dollar Amount of Transaction	Total Shares Owned
TexasDAILY Select					
Opening Balance					119.64
07/21/23	07/21/23	Purchase - TERM Maturity	1.00	259,480.21	259,599.85
07/27/23	07/27/23	Redemption - ACH Redemption	1.00	(210,000.00)	49,599.85
07/31/23	08/01/23	Accrual Income Div Reinvestment - Distributions	1.00	263.60	49,863.45

Closing Balance **49,863.45**

	Month of July	Fiscal YTD January-July		
Opening Balance	119.64	3,296.38	Closing Balance	49,863.45
Purchases	259,743.81	893,087.86	Average Monthly Balance	58,330.80
Redemptions (Excl. Checks)	(210,000.00)	(846,520.79)	Monthly Distribution Yield	5.31%
Check Disbursements	0.00	0.00		
Closing Balance	49,863.45	49,863.45		43
Cash Dividends and Income	263.60	381.61		

Trade Date	Settlement Date	Transaction Description	Maturity Date	Stated Yield	Dollar Amount of Transaction
Texas TERM					
07/21/23	07/21/23	Redemption - TERM Maturity			(259,480.21)

**CONSENT AGENDA
ACTION ITEM**

Consider/Take Possible Action to Approve the Student Code of Conduct
for the 2023-2024 School Year

Action Item:

The Student Code of Conduct is established to foster, protect and manage students in all school settings, both on and off of campus. The code addresses conduct, discipline and defines processes established for addressing misconduct. The Student Code of Conduct is the district's response to the requirements of Chapter 37 of the Texas Education Code. The Student Code of Conduct is distributed to all students via web access at the beginning of the school year (a paper copy can be requested at the school office). Acknowledgement of receipt/access is required of both student and parent.

The Student Code of Conduct is patterned after the prototype established by Texas Association of School Boards that provides annual legal review to determine that all current laws are included.

The Student Code of Conduct is applicable to all students in grades PreK through 12 at all PAISD schools.

Legislative bills from the 88th Legislative Session that affect the Student Code of Conduct:

- House Bill (HB) 114 amends Chapter 37 to make clear that conference, hearing, and review provisions in 37.009(a) apply to all removals for mandatory placement in a Disciplinary Alternative Education Program (DAEP) and mandatory expulsions. This bill requires a student to be placed in the DAEP if the student possesses, uses, or is under the influence of, or sells, gives, or delivers marijuana, THC, or an e-cigarette to another person within 300 feet of school property or at a school-related event. The requirement for mandatory expulsion for felony marijuana, THC, and alcohol-related conduct has been removed. In addition, the bill allows a program of educational and support services to be provided to a student and parents for an offense involving e-cigarettes.

If a DAEP is at capacity, a student who commits an offense related to marijuana, THC, e-cigarettes, alcohol, or abusable volatile chemicals shall be placed in in-school suspension (ISS) until a place in a DAEP becomes available or the period of the student's placement ends. If a DAEP is at capacity when a student who engaged in violent conduct needs to be placed, a district may move a student placed in DAEP for conduct related to marijuana, THC, an e-cigarette, alcohol, or an abusable volatile chemical to ISS to make room for the student who engaged

in violent conduct. If a district removes a student from a DAEP to ISS, the student must be returned to a DAEP if a place becomes available before the end of the period of placement.

- House Bill (HB) 3928 amends Chapter 37 to require the district to provide information to a student’s parent or person standing in parental relation to the student about the process for requesting a full individual and initial evaluation of the student for purposes of special education services both when a student is placed in the DAEP under Section 37.006 and as part of the student’s personalized transition plan developed by the campus administrator.
- Senate Bill (SB) 37 amends Chapter 37 to remove the requirement for a report of hazing or planned hazing to be submitted in writing. The bill allows a report to be made to a peace officer or law enforcement agency, in addition to a dean of students or other institutional official. The bill also provides immunity from liability for any person, including an entity organized to support an organization, who reports a specific hazing incident to certain people, including a peace officer or law enforcement agency, if the person makes the report before being contacted by the educational institution or law enforcement agency and cooperates in good faith with the investigation conducted by the institution or law enforcement agency.
- House Bill (HB) 1427 expands the offense of harassment under Penal Code 42.07 to include making obscene, intimidating, or threatening telephone calls or other electronic communications from a temporary or disposable telephone number provided by an internet application or other technological means.

Note: This is not an inclusive list of all Legislative bills passed. The Model Student Code of Conduct has been lightly edited throughout for clarity and to incorporate recent changes that have been made to other policies.


RATIONALE:	FO(LLEGAL), FO(LOCAL)
BUDGET:	No additional funding needed.
RECOMMENDATION:	Accept the superintendent’s recommendation to adopt the 2023-2024 Student Code of Conduct as presented.

Port Aransas ISD Student Code of Conduct

2023-2024 School Year

If you have difficulty accessing the information in this document because of disability, please contact Rosalie Johnson rosalie@paisd.net or 361-749-1205.

Proposed – PAISD Board of Trustees on 08/09/2023



MARLIN PRIDE RUNS DEEP

Positivity
Respect
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PORT ARANSAS ISD

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Student Code of Conduct

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Student Code of Conduct

Accessibility

If you have difficulty accessing the information in this document because of disability, please contact Rosalie Johnson, Executive Assistant at rosalie@paisd.net or 361-749-1205.

Purpose

The Student Code of Conduct (“Code of Conduct”), as required by Chapter 37 of the Texas Education Code, provides methods and options for managing student behavior, preventing and intervening in student discipline problems, and imposing discipline.

The law requires the district to define misconduct that may—or must—result in a range of specific disciplinary consequences, including removal from a regular classroom or campus, out-of-school suspension, placement in a disciplinary alternative education program (DAEP), placement in a juvenile justice alternative education program (JJAEP), or expulsion from school.

This Code of Conduct has been adopted by the Port Aransas ISD board of trustees and developed with the advice of the district-level planning and decision-making committee. It provides information to parents and students regarding standards of conduct, consequences of misconduct, and procedures for administering discipline. This Code of Conduct remains in effect during summer school and at all school-related events and activities outside the school year until the board adopts an updated version for the next school year.

In accordance with state law, the Code of Conduct shall be posted at each school campus or shall be available for review at the campus principal’s office. Additionally, the Code of Conduct shall be posted on the district’s website. Parents shall be notified of any conduct violation that may result in a student being suspended, placed in a DAEP or JJAEP, expelled, or taken into custody by a law enforcement officer under Chapter 37 of the Education Code.

Because the Code of Conduct is adopted by the district’s board of trustees, it has the force of policy. In the event of a conflict between the Code of Conduct and the Student Handbook, the Code of Conduct shall prevail.

Please note: The discipline of students with disabilities who are eligible for services under federal law (Individuals with Disabilities Education Act and Section 504 of the Rehabilitation Act of 1973) is subject to the provisions of those laws.

School District Authority and Jurisdiction

School rules and the district's authority to administer discipline apply whenever the interest of the district is involved, on or off school grounds, in conjunction with or independent of classes and school-sponsored activities.

The district has disciplinary authority over a student:

1. During the regular school day;
2. While the student is traveling on district transportation;
3. During lunch periods in which a student is allowed to leave campus;
4. At any school-related activity, regardless of time or location;
5. For any school-related misconduct, regardless of time or location;
6. When retaliation against a school employee, board member, or volunteer occurs or is threatened, regardless of time or location;
7. When a student engages in cyberbullying, as defined by Education Code 37.0832;
8. When criminal mischief is committed on or off school property or at a school-related event;
9. For certain offenses committed within 300 feet of school property as measured from any point on the school's real property boundary line;
10. For certain offenses committed while on school property or while attending a school-sponsored or school-related activity of another district in Texas;
11. When the student commits a felony, as provided by Education Code 37.006 or 37.0081; and
12. When the student is required to register as a sex offender.

Campus Behavior Coordinator

As required by law, a person at each campus must be designated to serve as the campus behavior coordinator (CBC). The designated person is the principal. The CBC is primarily responsible for maintaining student discipline. The district shall post on its website and in the Student Handbook, for each campus, the email address and telephone number of the person serving as CBC. Contact information may be found at www.paisd.net.

Threat Assessment and Safe and Supportive School Team

The CBC or other appropriate administrator will work closely with the campus threat assessment and safe and supportive school team to implement the district's threat assessment policy and procedures, as required by law, and shall take appropriate disciplinary action in accordance with the Code of Conduct.

Searches

District officials may conduct searches of students, their belongings, and their vehicles in accordance with state and federal law and district policy. Searches of students shall be conducted in a reasonable and nondiscriminatory manner. Refer to the district's policies at FNF(LEGAL) and FNF(LOCAL) for more information regarding investigations and searches.

School District Authority and Jurisdiction

The district has the right to search a vehicle driven to school by a student and parked on school property whenever there is reasonable suspicion to believe it contains articles or materials prohibited by the district.

Desks, lockers, district-provided technology, and similar items are the property of the district and are provided for student use as a matter of convenience. District property is subject to search or inspection at any time without notice.

Reporting Crimes

The principal or designee and other school administrators as appropriate shall report crimes as required by law and shall call local law enforcement when an administrator suspects that a crime has been committed on campus.

Security Personnel

The board utilizes school resource officers (SROs), to ensure the security and protection of students, staff, and property. In accordance with law, the board has coordinated with the principal and other district employees to ensure appropriate law enforcement duties are assigned to these persons. Provisions addressing the various types of security personnel can be found in the CKE policy series.

The law enforcement duties of school resource officers are:

School Resource Officer: To implement the district's comprehensive safety programs, the district has entered into an agreement with a local law enforcement agency for school resource officers. School resource officers shall provide services consistent with the terms of the agreement, the comprehensive safety programs, and Board policy. A school resource officer shall perform duties as described in the agreement and as included in the district improvement plan and the Student Code of Conduct.

Training: A school resource officer shall not be assigned routine classroom discipline or administrative tasks. All school resource officers shall receive at least the minimum amount of education and training required by law

"Parent" Defined

Throughout the Code of Conduct and related discipline policies, the term "parent" includes a parent, legal guardian, or other person having lawful control of the child.

Participating in Graduation Activities

The district has the right to limit a student's participation in graduation activities for violating the district's Code of Conduct.

Participation might include a speaking role, as established by district policy and procedures.

Students eligible to give the opening and closing remarks at graduation shall be notified by the campus principal. Notwithstanding any other eligibility requirements, in order to be considered eligible, a student shall not have engaged in any misconduct that resulted in an out-of-school suspension, removal to a DAEP, or expulsion during the semester immediately preceding graduation.

The valedictorian and salutatorian may also have speaking roles at graduation. No student shall be eligible to have such a speaking role if he or she engaged in any misconduct that resulted in

an out-of-school suspension, removal to a DAEP, or expulsion during the semester immediately preceding graduation.

Unauthorized Persons

In accordance with Education Code 37.105, a school administrator, SRO, or district police officer shall have the authority to refuse entry to or eject a person from district property if the person refuses to leave peaceably on request and:

1. The person poses a substantial risk of harm to any person; or
2. The person behaves in a manner that is inappropriate for a school setting and persists in the behavior after being given a verbal warning that the behavior is inappropriate and may result in refusal of entry or ejection.

Appeals regarding refusal of entry or ejection from district property may be filed in accordance with policies FNG(LOCAL) or GF(LOCAL), as appropriate. However, the timelines for the district's grievance procedures shall be adjusted as necessary to permit the person to address the board in person within 90 calendar days, unless the complaint is resolved before a board hearing.

See **DAEP—Restrictions During Placement** on page 1 for information regarding a student assigned to DAEP at the time of graduation.

Standards for Student Conduct

Each student is expected to:

- Demonstrate courtesy, even when others do not.
- Behave in a responsible manner.
- Exercise self-discipline.
- Attend all classes regularly and on time.
- Bring appropriate materials and assignments to class.
- Meet district and campus standards of grooming and dress.
- Obey all campus and classroom rules.
- Respect the rights and privileges of students, teachers, and other district staff and volunteers.
- Respect the property of others, including district property and facilities.
- Cooperate with and assist the school staff in maintaining safety, order, and discipline.
- Adhere to the requirements of the Student Code of Conduct.

General Conduct Violations

The categories of conduct below are prohibited at school, in vehicles owned or operated by the district, and at all school-related activities, but the list does not include the most severe offenses. In the subsequent sections on **Out-of-School Suspension** on page 1, **DAEP Placement** on page 1, **Placement and/or Expulsion for Certain Offenses** on page 1, and **Expulsion** on page 1, those offenses that require or permit specific consequences are listed. Any offense, however, may be severe enough to result in **Removal from the Regular Educational Setting** as detailed on page 1.

Disregard for Authority

Students shall not:

- Fail to comply with directives given by school personnel.
- Leave school grounds or school-sponsored events without permission.
- Disobey rules for conduct in district vehicles.
- Refuse to accept discipline or consequence assigned by a teacher or principal.

Mistreatment of Others

Students shall not:

- Use profanity or vulgar language or make obscene gestures.
- Fight or scuffle. (For assault, see **DAEP—Placement and/or Expulsion for Certain Offenses** on page 1.)
- Threaten a district student, employee, or volunteer, including off school property if the conduct causes a substantial disruption to the educational environment.
- Engage in bullying, cyberbullying, harassment, or making hit lists. (See **glossary** for all four terms.)
- Release or threaten to release intimate visual material of a minor or a student who is 18 years of age or older without the student's consent.
- Engage in sexual or gender-based harassment or sexual abuse, whether by word, gesture, or any other conduct directed toward another person, including a district student, employee, board member, or volunteer.
- Engage in conduct that constitutes dating violence. (See **glossary**.)
- Engage in inappropriate or indecent exposure of private body parts.
- Participate in hazing. (See **glossary**.)
- Coerce an individual to act through the use or threat of force.
- Commit extortion or blackmail.
- Engage in inappropriate verbal, physical, or sexual conduct directed toward another person, including a district student, employee, or volunteer.
- Record the voice or image of another without the prior consent of the individual being recorded or in any way that disrupts the educational environment or invades the privacy of others.

Property Offenses

Students shall not:

- Damage or vandalize property owned by others. (For felony criminal mischief, see **DAEP— Placement and/or Expulsion for Certain Offenses** on page 1.)
- Deface or damage school property, including textbooks, technology and electronic resources, lockers, furniture, and other equipment, with graffiti or by other means.
- Steal from students, staff, or the school.
- Commit or assist in a robbery or theft, even if it does not constitute a felony according to the Penal Code. (For felony robbery, aggravated robbery, and theft, see **DAEP— Placement and/or Expulsion for Certain Offenses** on page 1.)
- Enter, without authorization, district facilities that are not open for operations.

Possession of Prohibited Items

Students shall not possess or use:

- Fireworks of any kind, smoke or stink bombs, or any other pyrotechnic device;
- A razor, box cutter, chain, or any other object used in a way that threatens or inflicts bodily injury to another person;
- A “look-alike” weapon that is intended to be used as a weapon or could reasonably be perceived as a weapon;
- An air gun or BB gun;
- Ammunition;
- A hand instrument designed to cut or stab another by being thrown;
- A firearm silencer or suppressor;
- *A location-restricted knife;
- *A club;
- *A firearm;
- A stun gun;
- Knuckles;
- A pocketknife or any other small knife;
- Mace or pepper spray;
- Pornographic material;
- Tobacco products, cigarettes, e-cigarettes, and any component, part, or accessory for an e-cigarette device;
- Matches or a lighter;
- A laser pointer, unless it is for an approved use; or
- Any articles not generally considered to be weapons, including school supplies, when the principal or designee determines that a danger exists.

*For weapons and firearms, see **DAEP—Placement and/or Expulsion for Certain Offenses** on page 1. In many circumstances, possession of these items is punishable by mandatory expulsion under federal or state law.

Possession of Telecommunications or Other Electronic Devices

Students shall not:

- Use a telecommunications device, including a cell phone, or other electronic device in violation of district and campus rules.

Illegal, Prescription, and Over-the-Counter Drugs

Students shall not:

- Possess, use, give, or sell alcohol or an illegal drug. (Also see **DAEP Placement** on page 1 and **Expulsion** on page 1 for mandatory and permissive consequences under state law.)
- Possess or sell seeds or pieces of marijuana in less than a usable amount.
- Possess, use, give, or sell paraphernalia related to any prohibited substance. (See **glossary** for “paraphernalia.”)
- Possess, use, abuse, or sell look-alike drugs or attempt to pass items off as drugs or contraband.
- Abuse the student’s own prescription drug, give a prescription drug to another student, or possess or be under the influence of another person’s prescription drug on school property or at a school-related event. (See **glossary** for “abuse.”)
- Abuse over-the-counter drugs. (See **glossary** for “abuse.”)
- Be under the influence of prescription or over-the-counter drugs that cause impairment to body or mind. (See **glossary** for “under the influence.”)
- Have or take prescription drugs or over-the-counter drugs at school other than as provided by district policy.

Misuse of Technology Resources and the Internet

Students shall not:

- Violate policies, rules, or agreements signed by the student or the student’s parent regarding the use of technology resources.
- Attempt to access or circumvent passwords or other security-related information of the district, students, or employees or upload or create computer viruses, including off school property if the conduct causes a substantial disruption to the educational environment.
- Attempt to alter, destroy, or disable district technology resources including, but not limited to, computers and related equipment, district data, the data of others, or other networks connected to the district’s system, including off school property if the conduct causes a substantial disruption to the educational environment.
- Use the internet or other electronic communications to threaten or harass district students, employees, board members, or volunteers, including off school property if the conduct causes a substantial disruption to the educational environment or infringes on the rights of another student at school.

General Conduct Violations

- Send, post, deliver, or possess electronic messages that are abusive, obscene, sexually oriented, threatening, harassing, damaging to another's reputation, or illegal, including cyberbullying and "sexting," either on or off school property, if the conduct causes a substantial disruption to the educational environment or infringes on the rights of another student at school.
- Use the internet or other electronic communication to engage in or encourage illegal behavior or threaten school safety, including off school property if the conduct causes a substantial disruption to the educational environment or infringes on the rights of another student at school.

Safety Transgressions

Students shall not:

- Possess published or electronic material that is designed to promote or encourage illegal behavior or that could threaten school safety.
- Engage in verbal (oral or written) exchanges that threaten the safety of another student, a school employee, or school property.
- Make false accusations or perpetrate hoaxes regarding school safety.
- Engage in any conduct that school officials might reasonably believe will substantially disrupt the school program or incite violence.
- Throw objects that can cause bodily injury or property damage.
- Discharge a fire extinguisher without valid cause.

Miscellaneous Offenses

Students shall not:

- Violate dress and grooming standards as communicated in the Student Handbook.
- Engage in academic dishonesty, which includes cheating or copying the work of another student, plagiarism, and unauthorized communication between students during an examination.
- Gamble.
- Falsify records, passes, or other school-related documents.
- Engage in actions or demonstrations that substantially disrupt or materially interfere with school activities.
- Repeatedly violate other communicated campus or classroom standards of conduct.

The district may impose campus or classroom rules in addition to those found in the Code of Conduct. These rules may be posted in classrooms or given to the student and may or may not constitute violations of the Code of Conduct.

Discipline Management Techniques

Discipline shall be designed to improve conduct and encourage students to be responsible members of the school community. Disciplinary action shall draw on the professional judgment of teachers and administrators and on a range of discipline management techniques, including restorative practices. Discipline shall be based on the seriousness of the offense, the student's age and grade level, the frequency of misbehavior, the student's attitude, the effect of the misconduct on the school environment, and statutory requirements.

Students with Disabilities

The discipline of students with disabilities is subject to applicable state and federal law in addition to the Code of Conduct. In the event of any conflict, the district shall comply with federal law. For more information regarding discipline of students with disabilities, see policy FOF(LEGAL).

In accordance with the Education Code, a student who receives special education services may not be disciplined for conduct meeting the definition of bullying, cyberbullying, harassment, or making hit lists (see **glossary**) until an Admission, Review, and Dismissal (ARD) committee meeting has been held to review the conduct.

In deciding whether to order suspension, DAEP placement, or expulsion, regardless of whether the action is mandatory or discretionary, the district shall take into consideration a disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct.

Techniques

The following discipline management techniques may be used alone, in combination, or as part of progressive interventions for behavior prohibited by the Code of Conduct or by campus or classroom rules:

- Verbal correction, oral or written.
- Cooling-off time or a brief "time-out" period, in accordance with law.
- Seating changes within the classroom or vehicles owned or operated by the district.
- Temporary confiscation of items that disrupt the educational process.
- Rewards or demerits.
- Behavioral contracts.
- Counseling by teachers, school counselors, or administrative personnel.
- Parent-teacher conferences.
- Behavior coaching.
- Anger management classes.
- Mediation (victim-offender).
- Classroom circles.
- Family group conferencing.
- Grade reductions for cheating, plagiarism, and as otherwise permitted by policy.

Discipline Management Techniques

- Detention, including outside regular school hours.
- Sending the student to the office, another assigned area, or to in-school suspension (ISS).
- Assignment of school duties, such as cleaning or picking up litter.
- Withdrawal of privileges, such as participation in extracurricular activities, eligibility for seeking and holding honorary offices, or membership in school-sponsored clubs and organizations.
- Penalties identified in student organizations' extracurricular standards of behavior.
- Restriction or revocation of district transportation privileges.
- School-assessed and school-administered probation.
- Out-of-school suspension, as specified in **Out-of-School Suspension** on page 1.
- Placement in a DAEP, as specified in **DAEP** on page 1.
- Expulsion and/or placement in an alternative educational setting, as specified in **Placement and/or Expulsion for Certain Offenses** on page 1.
- Expulsion, as specified in **Expulsion** on page 1.
- Referral to an outside agency or legal authority for criminal prosecution in addition to disciplinary measures imposed by the district.
- Other strategies and consequences as determined by school officials.

Prohibited Aversive Techniques

Aversive techniques are prohibited for use with students and are defined as techniques or interventions intended to reduce the reoccurrence of a behavior by intentionally inflicting significant physical or emotional discomfort or pain. Aversive techniques include:

- Using techniques designed or likely to cause physical pain, other than corporal punishment as permitted by district policy. [See policy FO(LOCAL).]
- Using techniques designed or likely to cause physical pain by electric shock or any procedure involving pressure points or joint locks.
- Directed release of noxious, toxic, or unpleasant spray, mist, or substance near a student's face.
- Denying adequate sleep, air, food, water, shelter, bedding, physical comfort, supervision, or access to a restroom facility.
- Ridiculing or demeaning a student in a manner that adversely affects or endangers the learning or mental health of the student or constitutes verbal abuse.
- Employing a device, material, or object that immobilizes all four of a student's extremities, including prone or supine floor restraint.
- Impairing the student's breathing, including applying pressure to the student's torso or neck or placing something in, on, or over the student's mouth or nose or covering the student's face.
- Restricting the student's circulation.
- Securing the student to a stationary object while the student is standing or sitting.

Discipline Management Techniques

- Inhibiting, reducing, or hindering the student's ability to communicate.
- Using chemical restraints.
- Using time-out in a manner that prevents the student from being able to be involved in and progress appropriately in the required curriculum or any applicable individualized education program (IEP) goals, including isolating the student using physical barriers.
- Depriving the student of one or more of the student's senses, unless the technique does not cause the student discomfort or complies with the student's IEP or behavior intervention plan (BIP).

Notification

The principal or designee shall promptly notify a student's parent by phone or in person of any violation that may result in in-school or out-of-school suspension, placement in a DAEP, placement in a JJAEP, or expulsion. The principal or designee shall also notify a student's parent if the student is taken into custody by a law enforcement officer under the disciplinary provisions of the Education Code.

A good-faith effort shall be made to provide written notice of the disciplinary action to the student, on the day the action was taken, for delivery to the student's parent. If the parent has not been reached by telephone or in person by 5:00 p.m. of the first business day after the day the disciplinary action was taken, the principal or designee shall send written notification by U.S. Mail. If the principal or designee is not able to provide notice to the parent, the principal or designee shall provide the notice.

Before the principal or appropriate administrator assigns a student under age 18 to detention outside regular school hours, notice shall be given to the student's parent to inform him or her of the reason for the detention and permit arrangements for necessary transportation.

Appeals

Questions from parents regarding disciplinary measures should be addressed to the teacher, campus administration, as appropriate. Appeals or complaints regarding the use of specific discipline management techniques should be addressed in accordance with policy FNG(LOCAL). A copy of the policy may be obtained from the principal's office, or the central administration office or through Policy Online® at the following address: [FNG\(LOCAL\)](#)

The district shall not delay a disciplinary consequence while a student or parent pursues a grievance. In the instance of a student who is accused of conduct that meets the definition of sexual harassment as defined by Title IX, the district will comply with applicable federal law, including the Title IX formal complaint process. See policies FFH(LEGAL) and (LOCAL).

Removal from the School Bus

A bus driver may refer a student to the principal's office to maintain effective discipline on the bus. The principal must employ additional discipline management techniques, as appropriate, which can include restricting or revoking a student's bus riding privileges.

To transport students safely, the vehicle operator must focus on driving and not be distracted by student misbehavior. Therefore, when appropriate disciplinary management techniques fail to improve student behavior or when specific misconduct warrants immediate removal, the principal may restrict or revoke a student's transportation privileges, in accordance with law.

Removal from the Regular Educational Setting

In addition to other discipline management techniques, misconduct may result in removal from the regular educational setting in the form of a routine referral or a formal removal.

Routine Referral

A routine referral occurs when a teacher sends a student to the principal or designee as a discipline management technique. The principal or designee shall employ alternative discipline management techniques, including progressive interventions. A teacher or administrator may remove a student from class for behavior that violates this Code of Conduct to maintain effective discipline in the classroom.

Formal Removal

A teacher may initiate a formal removal from class if:

1. A student's behavior has been documented by the teacher as repeatedly interfering with the teacher's ability to teach the class or with other students' ability to learn; or
2. The behavior is so unruly, disruptive, or abusive that the teacher cannot teach, and the students in the classroom cannot learn.

Within three school days of the formal removal, the principal or appropriate administrator shall schedule a conference with the student's parent, the student, the teacher who removed the student from class, and any other appropriate administrator.

At the conference, the principal or appropriate administrator shall inform the student of the alleged misconduct and the proposed consequences. The student shall have an opportunity to respond to the allegations.

When a student is removed from the regular classroom by a teacher and a conference is pending, the principal or other administrator may place the student in:

- Another appropriate classroom.
- ISS In-school suspension.
- Out-of-school suspension.
- DAEP.

A teacher or administrator must remove a student from class if the student engages in behavior that under the Education Code requires or permits the student to be placed in a DAEP or expelled. When removing for those reasons, the procedures in the subsequent sections on DAEP or expulsion shall be followed.

Returning a Student to the Classroom

A student who has been formally removed from class by a teacher for conduct against the teacher containing the elements of assault, aggravated assault, sexual assault, or aggravated sexual assault may not be returned to the teacher's class without the teacher's consent.

A student who has been formally removed by a teacher for any other conduct may be returned to the teacher's class without the teacher's consent if the placement review committee determines that the teacher's class is the best or only alternative available.

Out-of-School Suspension

Misconduct

Students may be suspended for behavior listed in the Code of Conduct as a general conduct violation, DAEP offense, or expellable offense.

The district shall not use out-of-school suspension for students in grade 2 or below unless the conduct meets the requirements established in law.

A student below grade 3 or a student who is homeless shall not be placed in out-of-school suspension unless, while on school property or while attending a school-sponsored or school-related activity on or off school property, the student engages in:

- Conduct that contains the elements of a weapons offense, as provided in Penal Code sections 46.02 or 46.05;
- Conduct that contains the elements of assault, sexual assault, aggravated assault, or aggravated sexual assault, as provided by the Penal Code; or
- Selling, giving, or delivering to another person or possessing, using, or being under the influence of any amount of marijuana, an alcoholic beverage, or a controlled substance or dangerous drug as defined by federal or state law.

The district shall use a positive behavior program as a disciplinary alternative for students below grade 3 who commit general conduct violations instead of suspension or placement in a DAEP. The program shall meet the requirements of law.

Process

State law allows a student to be suspended for no more than three school days per behavior violation, with no limit on the number of times a student may be suspended in a semester or school year.

Before being suspended a student shall have an informal conference with the principal or appropriate administrator, who shall inform the student of the alleged misconduct and give the student an opportunity to respond to the allegation before the administrator makes a decision.

The principal or designee shall determine the number of days of a student's suspension, not to exceed three school days.

In deciding whether to order out-of-school suspension, the principal or designee shall take into consideration:

1. Self-defense (see **glossary**),
2. Intent or lack of intent at the time the student engaged in the conduct,
3. The student's disciplinary history,
4. A disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct,
5. A student's status in the conservatorship of the Department of Family and Protective Services (foster care), or
6. A student's status as homeless.

The appropriate administrator shall determine any restrictions on participation in school-sponsored or school-related extracurricular and cocurricular activities.

Coursework During Suspension

The district shall ensure a student receives access to coursework for foundation curriculum courses while the student is placed in in-school or out-of-school suspension, including at least one method of receiving this coursework that doesn't require the use of the internet.

A student removed from the regular classroom to ISS or another setting, other than a DAEP, will have an opportunity before the beginning of the next school year to complete each course the student was enrolled in at the time of removal. The district may provide the opportunity by any method available, including a correspondence course, another distance learning option, or summer school. The district will not charge the student for any method of completion provided by the district.

Disciplinary Alternative Education Program (DAEP) Placement

Disciplinary Alternative Education Program (DAEP) Placement

The DAEP shall be provided in a setting other than the student's regular classroom. An elementary school student may not be placed in a DAEP with a student who is not an elementary school student.

For purposes of DAEP, elementary classification shall be kindergarten–grade 5 and secondary classification shall be grades 6–12.

Summer programs provided by the district shall serve students assigned to a DAEP in conjunction with other students.

A student who is expelled for an offense that otherwise would have resulted in a DAEP placement does not have to be placed in a DAEP in addition to the expulsion.

In deciding whether to place a student in a DAEP, regardless of whether the action is mandatory or discretionary, the principal or designee shall take into consideration:

1. Self-defense (see **glossary**),
2. Intent or lack of intent at the time the student engaged in the conduct,
3. The student's disciplinary history,
4. A disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct,
5. A student's status in the conservatorship of the Department of Family and Protective Services (foster care), or
6. A student's status as homeless.

Discretionary Placement: Misconduct That May Result in DAEP Placement

A student may be placed in a DAEP for behaviors prohibited in the General Conduct Violations section of this Code of Conduct.

Misconduct Identified in State Law

In accordance with state law, a student **may** be placed in a DAEP for any of the following offenses:

- Engaging in bullying that encourages a student to commit or attempt to commit suicide.
- Inciting violence against a student through group bullying.
- Releasing or threatening to release intimate visual material of a minor or of a student who is 18 years of age or older without the student's consent.
- Involvement in a public-school fraternity, sorority, or secret society, or gang including participating as a member or pledge, or soliciting another person to become a pledge or member of a public-school fraternity, sorority, secret society, or gang. (See **glossary**.)
- Involvement in criminal street gang activity. (See **glossary**.)
- Criminal mischief, not punishable as a felony.
- Assault (no bodily injury) with threat of imminent bodily injury.
- Assault by offensive or provocative physical contact.

Disciplinary Alternative Education Program (DAEP) Placement

In accordance with state law, a student **may** be placed in a DAEP if the superintendent or the superintendent's designee has reasonable belief (see **glossary**) that the student engaged in conduct punishable as a felony, other than aggravated robbery or those listed as offenses in Title 5 (see **glossary**) of the Penal Code, that occurs off school property and not at a school-sponsored or school-related event, if the student's presence in the regular classroom threatens the safety of other students or teachers or will be detrimental to the educational process.

- The principal or designee **may** place a student in a DAEP for off-campus conduct for which DAEP placement is required by state law if the administrator does not have knowledge of the conduct before the first anniversary of the date the conduct occurred.

Mandatory Placement: Misconduct That Requires DAEP Placement

A student **must** be placed in a DAEP if the student:

- Engages in conduct relating to a false alarm or report (including a bomb threat) or a terroristic threat involving a public school. (See **glossary**.)
- Commits the following offenses on school property, within 300 feet of school property as measured from any point on the school's real property boundary line, or while attending a school-sponsored or school-related activity on or off school property:
 - Engages in conduct punishable as a felony.
 - Commits an assault (see **glossary**) under Penal Code 22.01(a)(1).
 - Sells, gives, or delivers to another person or possesses, uses, or is under the influence of a controlled substance or dangerous drug in an amount not constituting a felony offense. (School-related felony drug offenses are addressed in **Expulsion** on page 1.) (See **glossary** for "under the influence", "controlled substance," and "dangerous drug.")
 - Sells, gives, or delivers to another person or possesses, uses, or is under the influence of marijuana or THC. A student with a valid prescription for low-THC cannabis as authorized by Chapter 487 of the Health and Safety Code does not violate this provision.
 - Sells, gives, or delivers to another person an alcoholic beverage; commits a serious act or offense while under the influence of alcohol; or possesses, uses, or is under the influence of alcohol.
 - Behaves in a manner that contains the elements of an offense relating to abusable volatile chemicals.
 - Sells, gives, or delivers to another person or possesses or uses an e-cigarette.
 - Behaves in a manner that contains the elements of the offense of public lewdness or indecent exposure. (See **glossary**.)
 - Engages in conduct that contains the elements of an offense of harassment against an employee under Penal Code 42.07(a)(1), (2), (3), or (7).
- Engages in expellable conduct and is six to nine years of age.
- Commits a federal firearms violation and is younger than six years of age.
- Engages in conduct that contains the elements of the offense of retaliation against any school employee or volunteer on or off school property. (Committing retaliation in combination with another expellable offense is addressed in **Expulsion** on page 1.)

Disciplinary Alternative Education Program (DAEP) Placement

- Engages in conduct punishable as aggravated robbery or a felony listed under Title 5 (see **glossary**) of the Penal Code when the conduct occurs off school property and not at a school-sponsored or school-related event and:
 1. The student receives deferred prosecution (see **glossary**),
 2. A court or jury finds that the student has engaged in delinquent conduct (see **glossary**), or
 3. The superintendent or designee has a reasonable belief (see **glossary**) that the student engaged in the conduct.

Sexual Assault and Campus Assignments

A student shall be transferred to another campus if:

- The student has been convicted of continuous sexual abuse of a young child or disabled individual or convicted of or placed on deferred adjudication for sexual assault or aggravated sexual assault against another student on the same campus; and
- The victim's parent or another person with the authority to act on behalf of the victim requests that the board transfer the offending student to another campus.

If there is no other campus in the district serving the grade level of the offending student, the offending student shall be transferred to a DAEP.

Process

Removals to a DAEP shall be made by the principal or designee.

Conference

When a student is removed from class for a DAEP offense, the principal or appropriate administrator shall schedule a conference within three school days with the student's parent, the student, and, in the case of a teacher removal, the teacher.

At the conference, the CBC or appropriate administrator shall provide the student:

- Information, orally or in writing, of the reasons for the removal;
- An explanation of the basis for the removal; and
- An opportunity to respond to the reasons for the removal.

Following valid attempts to require attendance, the district may hold the conference and make a placement decision regardless of whether the student or the student's parents attend the conference.

Consideration of Mitigating Factors

In deciding whether to place a student in a DAEP, regardless of whether the action is mandatory or discretionary, the principal or designee shall take into consideration:

1. Self-defense (see **glossary**),
2. Intent or lack of intent at the time the student engaged in the conduct,
3. The student's disciplinary history,
4. A disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct,

Disciplinary Alternative Education Program (DAEP) Placement

5. A student's status in the conservatorship of the Department of Family and Protective Services (foster care), or
6. A student's status as homeless.

Placement Order

After the conference, if the student is placed in a DAEP, the principal or designee shall write a placement order. A copy of the DAEP placement order and information for the parent or person standing in parental relation to the student regarding the process for requesting a full individual and initial evaluation of the student for purposes of special education services shall be sent to the student and the student's parent.

Not later than the second business day after the conference, the board's designee shall deliver to the juvenile court a copy of the placement order and all information required by Section 52.04 of the Family Code.

If the student is placed in a DAEP and the length of placement is inconsistent with the guidelines included in this Code of Conduct, the placement order shall give notice of the inconsistency.

DAEP at Capacity

If a DAEP is at capacity at the time the principal or designee is deciding placement for conduct related to marijuana, THC, an e-cigarette, alcohol, or an abusable volatile chemical, the student shall be placed in ISS then transferred to a DAEP for the remainder of the period if space becomes available before the expiration of the period of the placement.

If a DAEP is at capacity at the time the principal or designee is deciding placement for a student who engaged in violent conduct, a student placed in a DAEP for conduct related to marijuana, THC, an e-cigarette, alcohol, or an abusable volatile chemical may be placed in ISS to make a position in the DAEP available for the student who engaged in violent conduct. If a position becomes available in a DAEP before the expiration of the period of the placement for the student removed, the student shall be returned to a DAEP for the remainder of the period.

Coursework Notice

The parent or guardian of a student placed in DAEP shall be given written notice of the student's opportunity to complete, at no cost to the student, a foundation curriculum course in which the student was enrolled at the time of removal and which is required for graduation. The notice shall include information regarding all methods available for completing the coursework.

Length of Placement

The principal or designee shall determine the duration of a student's placement in a DAEP.

The duration of a student's placement shall be determined case by case based on the seriousness of the offense, the student's age and grade level, the frequency of misconduct, the student's attitude, and statutory requirements.

The maximum period of DAEP placement shall be one calendar year, except as provided below.

Unless otherwise specified in the placement order, days absent from a DAEP shall not count toward fulfilling the total number of days required in a student's DAEP placement order.

Disciplinary Alternative Education Program (DAEP) Placement

The district shall administer the required pre- and post-assessments for students assigned to DAEP for a period of 90 days or longer in accordance with established district administrative procedures for administering other diagnostic or benchmark assessments.

Exceeds One Year

Placement in a DAEP may exceed one year when a review by the district determines that the student is a threat to the safety of other students or to district employees.

The statutory limitations on the length of a DAEP placement do not apply to a placement resulting from the board's decision to place a student who engaged in the sexual assault of another student so that the students are not assigned to the same campus.

Exceeds School Year

Students who are in a DAEP placement at the end of one school year may be required to continue that placement at the start of the next school year to complete the assigned term of placement.

For placement in a DAEP to extend beyond the end of the school year, the principal or designee or the board's designee must determine that:

1. The student's presence in the regular classroom or campus presents a danger of physical harm to the student or others, or
2. The student has engaged in serious or persistent misbehavior (see **glossary**) that violates the district's Code of Conduct.

Exceeds 60 Days

For placement in a DAEP to extend beyond 60 days or the end of the next grading period, whichever is sooner, a student's parent shall be given notice and the opportunity to participate in a proceeding before the board or the board's designee.

Appeals

Questions from parents regarding disciplinary measures should be addressed to the campus administration.

Student or parent appeals regarding a student's placement in a DAEP should be addressed in accordance with policy FNG(LOCAL). A copy of this policy may be obtained from the principal's office, the central administration office, or through Policy Online® at the following address: [FNG \(LOCAL\)](#)

Appeals shall begin at Level One with the principal.

The district shall not delay disciplinary consequences pending the outcome of an appeal. The decision to place a student in a DAEP cannot be appealed beyond the board.

Restrictions During Placement

The district does not permit a student who is placed in a DAEP to participate in any school-sponsored or school-related extracurricular or cocurricular activity, including seeking or holding honorary positions and/or membership in school-sponsored clubs and organizations.

A student placed in a DAEP shall not be provided transportation unless he or she is a student with a disability who is entitled to transportation in accordance with the student's IEP or Section 504 plan.

Disciplinary Alternative Education Program (DAEP) Placement

For seniors who are eligible to graduate and are assigned to a DAEP at the time of graduation, the placement in the program shall continue through graduation, and the student shall not be allowed to participate in the graduation ceremony and related graduation activities.

Placement Review

A student placed in a DAEP shall be provided a review of his or her status, including academic status, by the campus principal or designee or the board's designee at intervals not to exceed 120 days. In the case of a high school student, the student's progress toward graduation and the student's graduation plan shall also be reviewed. At the review, the student or the student's parent shall be given the opportunity to present arguments for the student's return to the regular classroom or campus. The student may not be returned to the classroom of a teacher who removed the student without that teacher's consent.

Additional Misconduct

If during the term of placement in a DAEP the student engages in additional misconduct for which placement in a DAEP or expulsion is required or permitted, additional proceedings may be conducted, and the principal or designee may enter an additional disciplinary order as a result of those proceedings.

Notice of Criminal Proceedings

When a student is placed in a DAEP for certain offenses, the office of the prosecuting attorney shall notify the district if:

1. Prosecution of a student's case was refused for lack of prosecutorial merit or insufficient evidence, and no formal proceedings, deferred adjudication (see **glossary**), or deferred prosecution will be initiated, or
2. The court or jury found a student not guilty or made a finding that the student did not engage in delinquent conduct or conduct indicating a need for supervision, and the case was dismissed with prejudice.

If a student was placed in a DAEP for such conduct, on receiving the notice from the prosecutor, the superintendent or designee shall review the student's placement and schedule a review with the student's parent not later than the third day after the superintendent or designee receives notice from the prosecutor. The student may not be returned to the regular classroom pending the review.

After reviewing the notice and receiving information from the student's parent, the superintendent or designee may continue the student's placement if there is reason to believe that the presence of the student in the regular classroom threatens the safety of other students or teachers.

The student or the student's parent may appeal the superintendent's decision to the board. The student may not be returned to the regular classroom pending the appeal. In the case of an appeal, the board shall, at the next scheduled meeting, review the notice from the prosecutor and receive information from the student, the student's parent, and the superintendent or designee, and confirm or reverse the decision of the superintendent or designee. The board shall make a record of the proceedings.

If the board confirms the decision of the superintendent or designee, the student and the student's parent may appeal to the Commissioner of Education. The student may not be returned to the regular classroom pending the appeal.

Disciplinary Alternative Education Program (DAEP) Placement

Withdrawal During Process

When a student violates the district's Code of Conduct in a way that requires or permits the student to be placed in a DAEP and the student withdraws from the district before a placement order is completed, the principal or designee may complete the proceedings and issue a placement order. If the student then re-enrolls in the district during the same or a subsequent school year, the district may enforce the order at that time, less any period of the placement that has been served by the student during enrollment in another district. If the principal or designee or the board fails to issue a placement order after the student withdraws, the next district in which the student enrolls may complete the proceedings and issue a placement order.

Newly Enrolled Students

The district shall continue the DAEP placement of a student who enrolls in the district and was assigned to a DAEP in an open-enrollment charter school or another district including a district in another state.

When a student enrolls in the district with a DAEP placement from a district in another state, the district has the right to place the student in DAEP to the same extent as any other newly enrolled student if the behavior committed is a reason for DAEP placement in the receiving district.

State law requires the district to reduce a placement imposed by a district in another state that exceeds one year so that the total placement does not exceed one year. After a review, however, the placement may be extended beyond a year if the district determines that the student is a threat to the safety of other students or employees or the extended placement is in the best interest of the student.

Emergency Placement Procedure

When an emergency placement is necessary because the student's behavior is so unruly, disruptive, or abusive that it seriously interferes with classroom or school operations, the student shall be given oral notice of the reason for the action. Not later than the tenth day after the date of the placement, the student shall be given the appropriate conference required for assignment to a DAEP.

Transition Services

In accordance with law and district procedures, campus staff shall provide transition services to a student returning to the regular classroom from an alternative education program, including a DAEP. See policy FOCA(LEGAL) for more information.

Placement and/or Expulsion for Certain Offenses

This section includes two categories of offenses for which the Education Code provides unique procedures and specific consequences.

Registered Sex Offenders

Upon receiving notification in accordance with state law that a student is currently required to register as a sex offender, the district must remove the student from the regular classroom and determine appropriate placement unless the court orders JJAEP placement.

If the student is under any form of court supervision, including probation, community supervision, or parole, the student shall be placed in either DAEP or JJAEP for at least one semester.

If the student is not under any form of court supervision, the student may be placed in DAEP or JJAEP for one semester or placed in a regular classroom. The student may not be placed in the regular classroom if the board or its designee determines that the student's presence:

1. Threatens the safety of other students or teachers,
2. Will be detrimental to the educational process, or
3. Is not in the best interests of the district's students.

Review Committee

At the end of the first semester of a student's placement in an alternative educational setting and before the beginning of each school year for which the student remains in an alternative placement, the district shall convene a committee, in accordance with state law, to review the student's placement. The committee shall recommend whether the student should return to the regular classroom or remain in the placement. Absent a special finding, the board or its designee must follow the committee's recommendation.

The placement review of a student with a disability who receives special education services must be made by the ARD committee.

Newly Enrolled Students

If a student enrolls in the district during a mandatory placement as a registered sex offender, the district may count any time already spent by the student in a placement or may require an additional semester in an alternative placement without conducting a review of the placement.

Appeal

A student or the student's parent may appeal the placement by requesting a conference between the board or its designee, the student, and the student's parent. The conference is limited to the factual question of whether the student is required to register as a sex offender. Any decision of the board or its designee under this section is final and may not be appealed.

Certain Felonies

Regardless of whether DAEP placement or expulsion is required or permitted by one of the reasons in the DAEP Placement or Expulsion sections, in accordance with Education Code 37.0081, a student may be expelled and placed in either DAEP or JJAEP if the board or CBC makes certain findings and the following circumstances exist in relation to aggravated robbery or a felony offense under Title 5 (see **glossary**) of the Penal Code. The student must have:

Placement and/or Expulsion for Certain Offenses

- Received deferred prosecution for conduct defined as aggravated robbery or a Title 5 felony offense;
- Been found by a court or jury to have engaged in delinquent conduct for conduct defined as aggravated robbery or a Title 5 felony offense;
- Been charged with engaging in conduct defined as aggravated robbery or a Title 5 felony offense;
- Been referred to a juvenile court for allegedly engaging in delinquent conduct for conduct defined as aggravated robbery or a Title 5 felony offense; or
- Received probation or deferred adjudication or have been arrested for, charged with, or convicted of aggravated robbery or a Title 5 felony offense.

The district may expel the student and order placement under these circumstances regardless of:

1. The date on which the student's conduct occurred,
2. The location at which the conduct occurred,
3. Whether the conduct occurred while the student was enrolled in the district, or
4. Whether the student has successfully completed any court disposition requirements imposed in connection with the conduct.

Hearing and Required Findings

The student must first have a hearing before the board or its designee, who must determine that in addition to the circumstances above that allow for the expulsion, the student's presence in the regular classroom:

1. Threatens the safety of other students or teachers,
2. Will be detrimental to the educational process, or
3. Is not in the best interest of the district's students.

Any decision of the board or the board's designee under this section is final and may not be appealed.

Length of Placement

The student is subject to the placement until:

1. The student graduates from high school,
2. The charges are dismissed or reduced to a misdemeanor offense, or
3. The student completes the term of the placement or is assigned to another program.

Placement Review

A student placed in a DAEP or JJAEP under this section is entitled to a review of his or her status, including academic status, by the principal or designee or board's designee at intervals not to exceed 120 days. In the case of a high school student, the student's progress toward graduation and the student's graduation plan shall also be reviewed. At the review, the student or the student's parent shall have the opportunity to present arguments for the student's return to the regular classroom or campus.

Placement and/or Expulsion for Certain Offenses

Newly Enrolled Students

A student who enrolls in the district before completing a placement under this section from another school district must complete the term of the placement.

Expulsion

In deciding whether to order expulsion, regardless of whether the action is mandatory or discretionary, the principal or designee shall take into consideration:

1. Self-defense (see **glossary**),
2. Intent or lack of intent at the time the student engaged in the conduct,
3. The student's disciplinary history,
4. A disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct,
5. A student's status in the conservatorship of the Department of Family and Protective Services (foster care), or
6. A student's status as homeless.

Discretionary Expulsion: Misconduct That May Result in Expulsion

Some of the following types of misconduct may result in mandatory placement in a DAEP, whether or not a student is expelled. (See **DAEP Placement** on page 1.)

Any Location

A student **may** be expelled for:

- Engaging in bullying that encourages a student to commit or attempt to commit suicide.
- Inciting violence against a student through group bullying.
- Releasing or threatening to release intimate visual material of a minor or of a student who is 18 years of age or older without the student's consent.
- Conduct that contains the elements of assault under Penal Code 22.01(a)(1) in retaliation against a school employee or volunteer.
- Criminal mischief, if punishable as a felony.
- Engaging in conduct that contains the elements of one of the following offenses against another student:
 - Aggravated assault.
 - Sexual assault.
 - Aggravated sexual assault.
 - Murder.
 - Capital murder.
 - Criminal attempt to commit murder or capital murder.
 - Aggravated robbery.
- Breach of computer security. (See **glossary**.)
- Engaging in conduct relating to a false alarm or report (including a bomb threat) or a terroristic threat involving a public school.

At School, Within 300 Feet, or at a School Event

A student **may** be expelled for committing any of the following offenses on or within 300 feet of school property, as measured from any point on the school's real property boundary line, or while attending a school-sponsored or school-related activity on or off school property:

- Selling, giving, or delivering to another person, or possessing, using, or being under the influence of any amount of marijuana, a controlled substance, or a dangerous drug. A student with a valid prescription for low-THC cannabis as authorized by Chapter 487 of the Health and Safety Code does not violate this provision. (See **glossary** for "under the influence.")
- Selling, giving, or delivering another person, or possessing, using, or being under the influence of alcohol; or committing a serious act or offense while under the influence of alcohol.
- Engaging in conduct that contains the elements of an offense relating to abusable volatile chemicals.
- Engaging in conduct that contains the elements of assault under Penal Code 22.01(a)(1) against an employee or a volunteer.
- Engaging in deadly conduct. (See **glossary**.)

Within 300 Feet of School

A student **may** be expelled for engaging in the following conduct while within 300 feet of school property, as measured from any point on the school's real property boundary line:

- Aggravated assault, sexual assault, or aggravated sexual assault.
- Arson. (See **glossary**.)
- Murder, capital murder, or criminal attempt to commit murder or capital murder.
- Indecency with a child.
- Aggravated kidnapping.
- Manslaughter.
- Criminally negligent homicide.
- Aggravated robbery.
- Continuous sexual abuse of a young child or disabled individual.
- Felony controlled substance or dangerous drug offenses, not including THC.
- Unlawfully carrying on or about the student's person a handgun or a location-restricted knife, as these terms are defined by state law. (See **glossary**.)
- Possessing, manufacturing, transporting, repairing, or selling a prohibited weapon, as defined by state law. (See **glossary**.)
- Possession of a firearm, as defined by federal law. (See **glossary**.)

Property of Another District

A student **may** be expelled for committing any offense that is a state-mandated expellable offense if the offense is committed on the property of another district in Texas or while the

student is attending a school-sponsored or school-related activity of a school in another district in Texas.

While in a DAEP

A student may be expelled for engaging in documented serious misbehavior that violates the district's Code of Conduct, despite documented behavioral interventions while placed in a DAEP. For purposes of discretionary expulsion from a DAEP, serious misbehavior means:

1. Deliberate violent behavior that poses a direct threat to the health or safety of others;
2. Extortion, meaning the gaining of money or other property by force or threat;
3. Conduct that constitutes coercion, as defined by Penal Code 1.07; or
4. Conduct that constitutes the offense of:
 - a. Public lewdness under Penal Code 21.07;
 - b. Indecent exposure under Penal Code 21.08;
 - c. Criminal mischief under Penal Code 28.03;
 - d. Hazing under Education Code 37.152; or
 - e. Harassment under Penal Code 42.07(a)(1) of a student or district employee.

Mandatory Expulsion: Misconduct That Requires Expulsion

A student **must** be expelled under federal or state law for any of the following offenses that occur on school property or while attending a school-sponsored or school-related activity on or off school property:

Under Federal Law

- Bringing to school or possessing at school, including any setting that is under the district's control or supervision for the purpose of a school activity, a firearm, as defined by federal law. (See **glossary**.)

Note: Mandatory expulsion under the federal Gun Free Schools Act does not apply to a firearm that is lawfully stored inside a locked vehicle or to firearms used in activities approved and authorized by the district when the district has adopted appropriate safeguards to ensure student safety.

Under the Penal Code

- Unlawfully carrying on or about the student's person the following, in the manner prohibited by Penal Code 46.02:
 - A handgun, defined by state law as any firearm designed, made, or adapted to be used with one hand. (See **glossary**.) *Note:* A student may not be expelled solely on the basis of the student's use, exhibition, or possession of a firearm that occurs at an approved target range facility that is not located on a school campus; while participating in or preparing for a school-sponsored, shooting sports competition or a shooting sports educational activity that is sponsored or supported by the Parks and Wildlife Department; or a shooting sports sanctioning organization working with the department. [See policy FNCG(LEGAL).]
 - A location-restricted knife, as defined by state law. (See **glossary**.)

- Possessing, manufacturing, transporting, repairing, or selling a prohibited weapon, as defined in state law. (See **glossary**.)
- Behaving in a manner that contains elements of the following offenses under the Penal Code:
 - Aggravated assault, sexual assault, or aggravated sexual assault.
 - Arson. (See **glossary**.)
 - Murder, capital murder, or criminal attempt to commit murder or capital murder.
 - Indecency with a child.
 - Aggravated kidnapping.
 - Aggravated robbery.
 - Manslaughter.
 - Criminally negligent homicide.
 - Continuous sexual abuse of a young child or disabled individual.
 - Behavior punishable as a felony that involves selling, giving, or delivering to another person or possessing, using, or being under the influence of a controlled substance or a dangerous drug.
- Engaging in retaliation against a school employee or volunteer combined with one of the above-listed mandatory expulsion offenses.

Under Age Ten

When a student under the age of ten engages in behavior that is expellable behavior, the student shall not be expelled, but shall be placed in a DAEP. A student under age six shall not be placed in a DAEP unless the student commits a federal firearm offense.

Process

If a student is believed to have committed an expellable offense, the principal or designee or other appropriate administrator shall schedule a hearing within a reasonable time. The student's parent shall be invited in writing to attend the hearing.

Until a hearing can be held, the principal or designee or another administrator may place the student in:

- Another appropriate classroom.
- ISS.
- Out-of-school suspension.
- DAEP.

Hearing

A student facing expulsion shall be given a hearing with appropriate due process. The student is entitled to:

1. Representation by the student's parent or another adult who can provide guidance to the student and who is not an employee of the district,
2. An opportunity to testify and to present evidence and witnesses in the student's defense, and
3. An opportunity to question the witnesses called by the district at the hearing.

After providing notice to the student and parent of the hearing, the district may hold the hearing regardless of whether the student or the student's parent attends.

The board of trustee's delegates to the superintendent authority to conduct hearings and expel students.

Board Review of Expulsion

After the due process hearing, the expelled student may request that the board review the expulsion decisions. The student or parent must submit a written request to the superintendent within seven days after receipt of the written decision. The superintendent must provide the student or parent written notice of the date, time, and place of the meeting at which the board will review the decision.

The board shall review the record of the expulsion hearing in a closed meeting unless the parent requests in writing that the matter be held in an open meeting. The board may also hear a statement from the student or parent and from the board's designee.

The board shall consider and base its decision on evidence reflected in the record and any statements made by the parties at the review. The board shall make and communicate its decision orally at the conclusion of the presentation. Consequences shall not be deferred pending the outcome of the hearing.

Expulsion Order

Before ordering the expulsion, the board or principal or designee shall take into consideration:

1. Self-defense (see **glossary**),
2. Intent or lack of intent at the time the student engaged in the conduct,
3. The student's disciplinary history,
4. A disability that substantially impairs the student's capacity to appreciate the wrongfulness of the student's conduct,
5. A student's status in the conservatorship of the Department of Family and Protective Services (foster care), or
6. A student's status as homeless.

If the student is expelled, the board or its designee shall deliver to the student and the student's parent a copy of the order expelling the student.

Not later than the second business day after the hearing, the superintendent shall deliver to the juvenile court a copy of the expulsion order and the information required by Section 52.04 of the Family Code.

If the length of the expulsion is inconsistent with the guidelines included in the Code of Conduct, the expulsion order shall give notice of the inconsistency.

Length of Expulsion

The length of an expulsion shall be based on the seriousness of the offense, the student's age and grade level, the frequency of misbehavior, the student's attitude, and statutory requirements.

The duration of a student's expulsion shall be determined on a case-by-case basis. The maximum period of expulsion is one calendar year, except as provided below.

An expulsion may not exceed one year unless, after review, the district determines that:

1. The student is a threat to the safety of other students or to district employees, or
2. Extended expulsion is in the best interest of the student.

State and federal law require a student to be expelled from the regular classroom for a period of at least one calendar year for bringing a firearm, as defined by federal law, to school. However, the superintendent may modify the length of the expulsion on a case-by-case basis.

Students who commit offenses that require expulsion at the end of one school year may be expelled into the next school year to complete the term of expulsion.

Withdrawal During Process

When a student's conduct requires or permits expulsion from the district and the student withdraws from the district before the expulsion hearing takes place, the district may conduct the hearing after sending written notice to the parent and student.

If the student then re-enrolls in the district during the same or subsequent school year, the district may enforce the expulsion order at that time, less any expulsion period that has been served by the student during enrollment in another district.

If the principal or designee or the board fails to issue an expulsion order after the student withdraws, the next district in which the student enrolls may complete the proceedings.

Additional Misconduct

If during the expulsion, the student engages in additional conduct for which placement in a DAEP or expulsion is required or permitted, additional proceedings may be conducted, and the principal or designee or the board may issue an additional disciplinary order as a result of those proceedings.

Restrictions During Expulsion

Expelled students are prohibited from being on school grounds or attending school-sponsored or school-related activities during the period of expulsion.

No district academic credit shall be earned for work missed during the period of expulsion unless the student is enrolled in a JJAEP or another district-approved program.

Newly Enrolled Students

The district shall continue the expulsion of any newly enrolled student expelled from another district or an open-enrollment charter school until the period of the expulsion is completed.

If a student expelled in another state enrolls in the district, the district may continue the expulsion under the terms of the expulsion order, may place the student in a DAEP for the period specified in the order, or may allow the student to attend regular classes if:

1. The out-of-state district provides the district with a copy of the expulsion order, and
2. The offense resulting in the expulsion is also an expellable offense in the district in which the student is enrolling.

If a student is expelled by a district in another state for a period that exceeds one year and the district continues the expulsion or places the student in a DAEP, the district shall reduce the

period of the expulsion or DAEP placement so that the entire period does not exceed one year, unless after a review it is determined that:

1. The student is a threat to the safety of other students or district employees, or
2. Extended placement is in the best interest of the student.

Emergency Expulsion Procedures

When an emergency expulsion is necessary to protect persons or property from imminent harm, the student shall be given verbal notice of the reason for the action. Within ten days after the date of the emergency expulsion, the student shall be given appropriate due process required for a student facing expulsion.

DAEP Placement of Expelled Students

The district may provide educational services to any expelled student in a DAEP; however, educational services in the DAEP must be provided if the student is less than ten years of age.

Transition Services

In accordance with law and district procedures, campus staff shall provide transition services for a student returning to the regular classroom from placement in an alternative education program, including a DAEP or JJAEP. See policies FOCA(LLEGAL) and FODA(LLEGAL) for more information.

Glossary

Abuse is improper or excessive use.

Aggravated robbery is defined in part by Penal Code 29.03(a) as when a person commits robbery and:

1. Causes serious bodily injury to another;
2. Uses or exhibits a deadly weapon; or
3. Causes bodily injury to another person or threatens or places another person in fear of imminent bodily injury or death, if the other person is:
 - a. 65 years of age or older, or
 - b. A disabled person.

Armor-piercing ammunition is defined by Penal Code 46.01 as handgun ammunition used in pistols and revolvers and designed primarily for the purpose of penetrating metal or body armor.

Arson is defined in part by Penal Code 28.02 as a crime that involves:

1. Starting a fire or causing an explosion with intent to destroy or damage:
 - a. Any vegetation, fence, or structure on open-space land; or
 - b. Any building, habitation, or vehicle:
 - (1) Knowing that it is within the limits of an incorporated city or town,
 - (2) Knowing that it is insured against damage or destruction,
 - (3) Knowing that it is subject to a mortgage or other security interest,
 - (4) Knowing that it is located on property belonging to another,
 - (5) Knowing that it has located within it property belonging to another, or
 - (6) When the person starting the fire is reckless about whether the burning or explosion will endanger the life of some individual or the safety of the property of another.
2. Recklessly starting a fire or causing an explosion while manufacturing or attempting to manufacture a controlled substance if the fire or explosion damages any building, habitation, or vehicle; or
3. Intentionally starting a fire or causing an explosion and in so doing:
 - a. Recklessly damaging or destroying a building belonging to another, or
 - b. Recklessly causing another person to suffer bodily injury or death.

Assault is defined in part by Penal Code 22.01 as intentionally, knowingly, or recklessly causing bodily injury to another; intentionally or knowingly threatening another with imminent bodily injury; or intentionally or knowingly causing physical contact with another that can reasonably be regarded as offensive or provocative.

Breach of computer security includes knowingly accessing a computer, computer network, or computer system without the effective consent of the owner as defined in Penal Code 33.02, if the conduct involves accessing a computer, computer network, or computer system owned by or operated on behalf of a school district and the student knowingly alters, damages, or deletes

school district property or information or commits a breach of any other computer, computer network, or computer system.

Bullying is defined as a single significant act or a pattern of acts by one or more students directed at another student that exploits an imbalance of power and involves engaging in written or verbal expression, expression through electronic means, or physical conduct that:

1. Has the effect or will have the effect of physically harming a student, damaging a student's property, or placing a student in reasonable fear of harm to the student's person or damage to the student's property;
2. Is sufficiently severe, persistent, or pervasive enough that the action or threat creates an intimidating, threatening, or abusive educational environment for a student;
3. Materially and substantially disrupts the educational process or the orderly operation of a classroom or school; or
4. Infringes on the rights of the victim at school.

Bullying includes cyberbullying. (See below.) This state law on bullying prevention applies to:

1. Bullying that occurs on or is delivered to school property or to the site of a school-sponsored or school-related activity on or off school property;
2. Bullying that occurs on a publicly or privately owned school bus or vehicle being used for transportation of students to or from school or a school-sponsored or school-related activity; and
3. Cyberbullying that occurs off school property or outside of a school-sponsored or school-related activity if the cyberbullying interferes with a student's educational opportunities or substantially disrupts the orderly operation of a classroom, school, or school-sponsored or school-related activity.

Chemical dispensing device is defined by Penal Code 46.01 as a device designed, made, or adapted for the purpose of dispensing a substance capable of causing an adverse psychological or physiological effect on a human being. A small chemical dispenser sold commercially for personal protection is not in this category.

Club is defined by Penal Code 46.01 as an instrument, specially designed, made, or adapted for the purpose of inflicting serious bodily injury or death by striking a person with the instrument, and includes but is not limited to a blackjack, nightstick, mace, and tomahawk.

Controlled substance means a substance, including a drug, an adulterant, and a dilutant, listed in Schedules I through V or Penalty Group 1, 1-A, 1-B, 2, 2-A, 3, or 4 of the Texas Controlled Substances Act. The term includes the aggregate weight of any mixture, solution, or other substance containing a controlled substance. The term does not include hemp, as defined by Agriculture Code 121.001, or the tetrahydrocannabinols (THC) in hemp.

Criminal street gang is defined by Penal Code 71.01 as three or more persons having a common identifying sign or symbol or an identifiable leadership who continuously or regularly associate in the commission of criminal activities.

Cyberbullying is defined by Education Code 37.0832 as bullying that is done through the use of any electronic communication device, including through the use of a cellular or other type of telephone, a computer, a camera, electronic mail, instant messaging, text messaging, a social media application, an internet website, or any other internet-based communication tool.

Dangerous drug is defined by Health and Safety Code 483.001 as a device or a drug that is unsafe for self-medication and that is not included in Schedules I through V or Penalty Groups 1 through 4 of the Texas Controlled Substances Act. The term includes a device or drug that federal law prohibits dispensing without prescription or restricts to use by or on the order of a licensed veterinarian.

Dating violence occurs when a person in a current or past dating relationship uses physical, sexual, verbal, or emotional abuse to harm, threaten, intimidate, or control another person in the relationship. Dating violence also occurs when a person commits these acts against a person in a marriage or dating relationship with the individual who is or was once in a marriage or dating relationship with the person committing the offense, as defined by Section 71.0021 of the Family Code.

Deadly conduct under Penal Code 22.05 occurs when a person recklessly engages in conduct that places another in imminent danger of serious bodily injury, such as knowingly discharging a firearm in the direction of an individual, habitation, building, or vehicle.

Deferred adjudication is an alternative to seeking a conviction in court that may be offered to a juvenile for delinquent conduct or conduct indicating a need for supervision.

Deferred prosecution may be offered to a juvenile as an alternative to seeking a conviction in court for delinquent conduct or conduct indicating a need for supervision.

Delinquent conduct is conduct that violates either state or federal law and is punishable by imprisonment or confinement in jail. It includes conduct that violates certain juvenile court orders, including probation orders, but does not include violations of traffic laws.

Discretionary means that something is left to or regulated by a local decision maker.

E-cigarette means an electronic cigarette or any other device that simulates smoking by using a mechanical heating element, battery, or electronic circuit to deliver nicotine or other substances to the individual inhaling from the device or a consumable liquid solution or other material aerosolized or vaporized during the use of an electronic cigarette or other device described by this provision. The term includes any device that is manufactured, distributed, or sold as an e-cigarette, e-cigar, or e-pipe or under another product name or description and a component, part, or accessory for the device, regardless of whether the component, part, or accessory is sold separately from the device.

Explosive weapon is defined by Penal Code 46.01 as any explosive or incendiary bomb, grenade, rocket, or mine and its delivery mechanism that is designed, made, or adapted for the purpose of inflicting serious bodily injury, death, or substantial property damage, or for the principal purpose of causing such a loud report as to cause undue public alarm or terror.

False alarm or report under Penal Code 42.06 occurs when a person knowingly initiates, communicates, or circulates a report of a present, past, or future bombing, fire, offense, or other emergency that he or she knows is false or baseless and that would ordinarily:

1. Cause action by an official or volunteer agency organized to deal with emergencies;
2. Place a person in fear of imminent serious bodily injury; or
3. Prevent or interrupt the occupation of a building, room, or place of assembly.

Firearm is defined by federal law (18 U.S.C. 921(a)) as:

1. Any weapon (including a starter gun) that will, is designed to, or may readily be converted to expel a projectile by the action of an explosive;
2. The frame or receiver of any such weapon;
3. Any firearm muffler or firearm silencer, defined as any device for silencing, muffling, or diminishing the report of a portable [firearm](#); or
4. Any destructive device, such as any explosive, incendiary or poison gas bomb, or grenade.

Such term does not include an antique firearm.

Graffiti includes markings with paint, an indelible pen or marker, or an etching or engraving device on tangible property without the effective consent of the owner. The markings may include inscriptions, slogans, drawings, or paintings.

Handgun is defined by Penal Code 46.01 as any firearm that is designed, made, or adapted to be fired with one hand.

Harassment includes:

1. Conduct that meets the definition established in district policies DIA(LOCAL) and FFH(LOCAL);
2. Conduct that threatens to cause harm or bodily injury to another person, including a district student, employee, board member, or volunteer; is sexually intimidating; causes physical damage to the property of another student; subjects another student to physical confinement or restraint; or maliciously and substantially harms another student's physical or emotional health or safety, as defined in Education Code 37.001(b)(2); or
3. Conduct that is punishable as a crime under Penal Code 42.07, including the following types of conduct if carried out with the intent to harass, annoy, alarm, abuse, torment, or embarrass another:
 - a. Initiating communication and, in the course of the communication, making a comment, request, suggestion, or proposal that is obscene, as defined by law;
 - b. Threatening, in a manner reasonably likely to alarm the person receiving the threat, to inflict bodily injury on the person or to commit a felony against the person, a member of the person's family or household, or the person's property;
 - c. Conveying, in a manner reasonably likely to alarm the person receiving the report, a false report, which is known by the conveyor to be false, that another person has suffered death or serious bodily injury;
 - d. Causing the telephone of another to ring repeatedly or making repeated telephone communications anonymously or in a manner reasonably likely to harass, annoy, alarm, abuse, torment, embarrass, or offend another;
 - e. Making a telephone call and intentionally failing to hang up or disengage the connection;
 - f. Knowingly permitting a telephone under the person's control to be used by another to commit an offense under this section;
 - g. Sending repeated electronic communications in a manner reasonably likely to harass, annoy, alarm, abuse, torment, embarrass, or offend another;

- h. Publishing on an internet website, including a social media platform, repeated electronic communications in a manner reasonably likely to cause emotional distress, abuse, or torment to another person, unless the communications are made in connection with a matter of public concern, as defined by law; or
- i. Making obscene, intimidating, or threatening telephone calls or other electronic communications from a temporary or disposable telephone number provided by an internet application or other technological means.

Hazing is defined by Education Code 37.151 as an intentional, knowing, or reckless act, on or off campus, by one person alone or acting with others, directed against a student for the purpose of pledging, initiation into, affiliation with, holding office in, or maintaining membership in a student organization if the act meets the elements in Education Code 37.151, including:

1. Any type of physical brutality;
2. An activity that subjects the student to an unreasonable risk of harm or that adversely affects the student's mental or physical health, such as sleep deprivation, exposure to the elements, confinement to small spaces, calisthenics, or consumption of food, liquids, drugs, or other substances;
3. An activity that induces, causes, or requires the student to perform a duty or task that violates the Penal Code; or
4. Coercing a student to consume a drug or alcoholic beverage in an amount that would lead a reasonable person to believe the student is intoxicated. **Hit list** is defined in Education Code 37.001(b)(3) as a list of people targeted to be harmed, using a firearm, a knife, or any other object to be used with intent to cause bodily harm.

Improvised explosive device is defined by Penal Code 46.01 as a completed and operational bomb designed to cause serious bodily injury, death, or substantial property damage that is fabricated in an improvised manner using nonmilitary components.

Indecent exposure is defined by Penal Code 21.08 as an offense that occurs when a person exposes the person's anus or any part of the person's genitals with intent to arouse or gratify the sexual desire of any person and is reckless about whether another is present who will be offended or alarmed by the act.

Intimate visual material is defined by Civil Practices and Remedies Code 98B.001 and Penal Code 21.16 as visual material that depicts a person with the person's intimate parts exposed or engaged in sexual conduct. "Visual material" means any film, photograph, video tape, negative, or slide of any photographic reproduction or any other physical medium that allows an image to be displayed on a computer or other video screen and any image transmitted to a computer or other video screen.

Location-restricted knife is defined by Penal Code 46.01 as a knife with a blade over five and one-half inches.

Knuckles means any instrument consisting of finger rings or guards made of a hard substance and designed or adapted for inflicting serious bodily injury or death by striking a person with a fist enclosed in the knuckles.

Look-alike weapon means an item that resembles a weapon but is not intended to be used to cause serious bodily injury.

Machine gun as defined by Penal Code 46.01 is any firearm that is capable of shooting more than two shots automatically, without manual reloading, by a single function of the trigger.

Mandatory means that something is obligatory or required because of an authority.

Paraphernalia are devices that can be used for inhaling, ingesting, injecting, or otherwise introducing a controlled substance into a human body.

Possession means to have an item on one's person or in one's personal property, including, but not limited to:

1. Clothing, purse, or backpack;
2. A private vehicle used for transportation to or from school or school-related activities, including, but not limited to, an automobile, truck, motorcycle, or bicycle;
3. Telecommunications or electronic devices; or
4. Any school property used by the student, including, but not limited to, a locker or desk.

Prohibited weapon under Penal Code 46.05(a) means:

1. The following items, unless registered with the U.S. Bureau of Alcohol, Tobacco, Firearms, and Explosives or otherwise not subject to that registration requirement or unless the item is classified as a curio or relic by the U.S. Department of Justice: An explosive weapon;
 - a. A machine gun;
 - b. A short-barrel firearm;
2. Armor-piercing ammunition;
3. A chemical dispensing device;
4. A zip gun;
5. A tire deflation device; or
6. An improvised explosive device.

Public Lewdness is defined by Penal Code 21.07 as an offense that occurs when a person knowingly engages in an act of sexual intercourse, deviate sexual intercourse, or sexual contact in a public place or, if not in a public place, when the person is reckless about whether another is present who will be offended or alarmed by the act.

Public school fraternity, sorority, secret society, or gang means an organization composed wholly or in part of students that seeks to perpetuate itself by taking additional members from the students enrolled in school based on a decision of its membership rather than on the free choice of a qualified student. Educational organizations listed in Education Code 37.121(d) are excepted from this definition.

Reasonable belief is that which an ordinary person of average intelligence and sound mind would believe. Chapter 37 requires certain disciplinary decisions when the superintendent or designee has a reasonable belief that a student engaged in conduct punishable as a felony offense. In forming such a reasonable belief, the superintendent or designee may use all available information and must consider the information furnished in the notice of a student's arrest under Code of Criminal Procedure Article 15.27.

Self-defense is the use of force against another to the degree a person reasonably believes is immediately necessary to protect himself or herself.

Serious misbehavior means:

1. Deliberate violent behavior that poses a direct threat to the health or safety of others;
2. Extortion, meaning the gaining of money or other property by force or threat;
3. Conduct that constitutes coercion, as defined by Section 1.07, Penal Code; or
4. Conduct that constitutes the offense of:
 - a. Public lewdness under Penal Code 21.07;
 - b. Indecent exposure under Penal Code 21.08;
 - c. Criminal mischief under Penal Code 28.03;
 - d. Hazing under Education Code 37.152; or
 - e. Harassment under Penal Code 42.07(a)(1) of a student or district employee.

Serious or persistent misbehavior includes, but is not limited to:

- Behavior that is grounds for permissible expulsion or mandatory DAEP placement.
- Behavior identified by the district as grounds for discretionary DAEP placement.
- Actions or demonstrations that substantially disrupt or materially interfere with school activities.
- Refusal to attempt or complete schoolwork as assigned.
- Insubordination.
- Profanity, vulgar language, or obscene gestures.
- Leaving school grounds without permission.
- Falsification of records, passes, or other school-related documents.
- Refusal to accept discipline assigned by the teacher or principal.

Short-barrel firearm is defined by Penal Code 46.01 as a rifle with a barrel length of less than 16 inches or a shotgun with a barrel length of less than 18 inches, or any weapon made from a rifle or shotgun that, as altered, has an overall length of less than 26 inches.

Terroristic threat is defined by Penal Code 22.07 as a threat of violence to any person or property with intent to:

1. Cause a reaction of any type by an official or volunteer agency organized to deal with emergencies;
2. Place any person in fear of imminent serious bodily injury;
3. Prevent or interrupt the occupation or use of a building; room, place of assembly, or place to which the public has access; place of employment or occupation; aircraft, automobile, or other form of conveyance; or other public place;
4. Cause impairment or interruption of public communications; public transportation; public water, gas, or power supply; or other public service;
5. Place the public or a substantial group of the public in fear of serious bodily injury; or
6. Influence the conduct or activities of a branch or agency of the federal government, the state, or a political subdivision of the state (including the district).

Tire deflation device is defined in part by Penal Code 46.01 as a device, including a caltrop or spike strip, that, when driven over, impedes or stops the movement of a wheeled vehicle by puncturing one or more of the vehicle's tires.

Title 5 felonies are those crimes listed in Title 5 of the Penal Code that typically involve injury to a person and may include:

- Murder, manslaughter, or homicide under Sections 19.02–.05;
- Kidnapping under Section 20.03;
- Trafficking of persons under Section 20A.02;
- Smuggling or continuous smuggling of persons under Sections 20.05–.06;
- Assault under Section 22.01;
- Aggravated assault under Section 22.02;
- Sexual assault under Section 22.011;
- Aggravated sexual assault under Section 22.021;
- Unlawful restraint under Section 20.02;
- Continuous sexual abuse of a young child or disabled individual under Section 21.02;
- Bestiality under Section 21.09;
- Improper relationship between educator and student under Section 21.12;
- Voyeurism under Section 21.17;
- Indecency with a child under Section 21.11;
- Invasive visual recording under Section 21.15;
- Disclosure or promotion of intimate visual material under Section 21.16;
- Sexual coercion under Section 21.18;
- Injury to a child, an elderly person, or a disabled person of any age under Section 22.04;
- Abandoning or endangering a child under Section 22.041;
- Deadly conduct under Section 22.05;
- Terroristic threat under Section 22.07;
- Aiding a person to commit suicide under Section 22.08; and
- Tampering with a consumer product under Section 22.09.

Under the influence means lacking the normal use of mental or physical faculties. Impairment of a person's physical or mental faculties may be evidenced by a pattern of abnormal or erratic behavior, the presence of physical symptoms of drug or alcohol use, or by admission. A student "under the in-fluence" need not be legally intoxicated to trigger disciplinary action.

Use means voluntarily introducing into one's body, by any means, a prohibited substance.

Zip gun is defined by Penal Code 46.01 as a device or combination of devices that was not originally a firearm and is adapted to expel a projectile through a smooth-bore or rifled-bore barrel by using the energy generated by an explosion or burning substance.

CONSENT AGENDA

Consider/Take Possible Action to Approve Nueces County Extension Service Requests

Action Item:

The Nueces County Extension Service, which is part of the Texas A&M Agrilife Extension, has two requests for the board to consider.

The first request is to approve the County Extension Agents as adjunct faculty members so that they may accompany students on 4-H activities and the school will not lose funding because students are counted present for attendance purposes.

The second request is to approve the resolution regarding extracurricular status of the 4 H organization.

RATIONALE:	These agreements allow PAISD students to participate in 4-H as an extracurricular activity.
BUDGET:	No additional funding needed.
RECOMMENDATION:	Accept the superintendent's recommendation to approve the Nueces County Extension Adjunct Faculty Agreement and Resolution as presented.

NUECES COUNTY EXTENSION SERVICE



July 19, 2023

Ms. Sharon McKinney, Superintendent
Port Aransas Independent School District
100 South Station Street
Port Aransas, Texas 78373

Dear Ms. McKinney:

On behalf of the Nueces County Extension Staff, we hereby respectfully request approval of the attached Adjunct Faculty Agreement with the Port Aransas Independent School District.

The State Board of Education passed an amendment to 19 TAC§129.21(j). Requirements for Student Attendance Accounting for State Funding Purposes allow public school students to be considered "in attendance" when participating in off-campus activities with an adjunct staff member of the school district. Section 3 of the Student Attendance Handbook states:

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(1) The student is participating in an activity that is approved by the local board of school trustees and is under the direction of a member of the professional or paraprofessional staff of the school district, or an adjunct staff member who:

- (A) has a minimum of a bachelor's degree; and*
- (B) is eligible for participation in the Teacher Retirement System of Texas.*

Nueces County requests the agents listed on the enclosed Adjunct Faculty Agreement be awarded adjunct staff member status for the period indicated on the agreement.

We hope Port Aransas Independent School District will accept this request. Please let me know if you would like to schedule an appointment to discuss the amendment and request or if you need further information.

Thank you and the Members of the Board of Trustees for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Norma Muñoz".

Norma Muñoz
County Extension Agent
Family & Community Health
Nueces County Administrator

Attachment: Adjunct Faculty Agreement

Texas A&M AgriLife Extension Service
Office of Nueces County
710 East Main Avenue, Suite 1, Robstown, Texas 78380-3148
Telephone 361.767.5220; Fax 361.767.5248
Website <https://nueces.agrilife.org>
Email nueces@ag.tamu.edu

ADJUNCT FACULTY AGREEMENT

THE STATE OF TEXAS
 COUNTY OF _____

On this date, at regularly scheduled and posted meeting came the Board of Trustees of the Port Aransas Independent School District, hereinafter referred to as "District." A quorum having been established, the Board proceeded to consider the appointment of the herein named individuals as adjunct faculty members of the Port Aransas.

Upon consideration and vote of _____ in favor, Logan Bauer, Lynn Bradshaw, Kevin Gibbs, Jaime Lopez, and Norma Muñoz, are hereby named as adjunct faculty members of the Port Aransas Independent School District subject to the following considerations of such appointment to wit:

1. This appointment shall commence on the _____ day of _____, 20____ and remain in effect until the _____ day of _____, 20____.
2. This appointment will include the Texas A&M AgriLife Extension Service employees listed below:

NAME	TITLE	DEGREE	INSTITUTION	DATE
Logan Bauer	County Extension Agent - 4-H & Youth Development	Bachelor of Agricultural Sciences	Texas A&M University - College Station	December 2019
Lynn Bradshaw	Extension Agent - Healthy South Texas	Bachelor of Science - Kinesiology	Texas A&M University - Corpus Christi	May 2015
Kevin Gibbs	County Extension Agent - Horticulture	Master of Education	Texas A&M University - Corpus Christi	August 2003
Jaime Lopez	County Extension Agent - Agriculture & Natural Resources	Bachelor of Science - Ag Education & Minor in Ag Economics	Texas A&I University - Kingsville	December 1987
Norma Muñoz	County Extension Agent - Family & Community Health	Master of Science - Agriculture Science	Texas A&M University - Kingsville	December 2016

3. Adjunct faculty members will receive no compensation, salary, or remuneration from Port Aransas.
4. Adjunct faculty member is and shall remain an employee, in good standing, of Texas A&M AgriLife Extension Service.
5. Adjunct faculty member is and shall remain under the direct supervision of either the District Extension Administrator of District 11 or Nueces County Extension Director.
6. Adjunct faculty members shall receive all group insurance benefits, workman's compensation insurance benefits, unemployment insurance, and any and all other plans for the benefit of Texas A&M AgriLife Extension Service employees. The District shall have no responsibility for any of such benefits or plans.

Adjunct faculty members shall direct the activities and participation of students of the school district in sponsored and approved activities as designated from time to time by adjunct faculty members for which notice shall be given to School District administrative personnel. Adjunct faculty members' activities and participation with students of the School District are directed, supervised, and controlled by and through supervisory personnel of Texas A&M AgriLife Extension Service pursuant to the supervisory authority of the District Extension Administrator or County Extension Director. Adjunct faculty members are not the employees of School District, and School District does not nor shall not supervise, direct, or control the activities and/or participation of such Nueces County Extension Agents who have been herein designated as adjunct faculty members.

This appointment is made by Port Aransas Independent School District by and through the Board of Trustees of said district for the benefit of allowing voluntary student participation in programs conducted by Texas A&M AgriLife Extension Service in recognition of the educational benefits arising from such participation and activities and/or directed by Texas A&M AgriLife Extension Service. This appointment is made in accordance with the provisions of Section 129.21(j)(1) of the Texas Administrative Code authorizing the school to deem such participating students in attendance for foundation school program purposes.

This appointment of the herein named Nueces County Extension Agents Logan Bauer, Lynn Bradshaw, Kevin Gibbs, Norma Muñoz, and Jaime Lopez (Extension employees) are not intended nor shall be construed as a waiver of any claim or defense of sovereign or governmental immunity from liability now possessed by Port Aransas Independent School District or any of its employees, agents, officers, and/or board members in the performance of governmental functions.

Signed this _____ day of _____, 20_____.

Port Aransas Independent School District

By: _____

NUECES COUNTY EXTENSION SERVICE



July 19, 2023

Ms. Sharon McKinney, Superintendent
Port Aransas Independent School District
100 South Station Street
Port Aransas, Texas 78373

Dear Ms. McKinney:

On behalf of the 4-H members of Nueces County, we hereby respectfully request that the 4-H organization, by the attached resolution, be sanctioned as an extracurricular activity. We request the enclosed RESOLUTION be presented for consideration at the next scheduled meeting of the Board of Trustees of the Port Aransas Independent School District. We further request that questions regarding this RESOLUTION be directed to us in a timely manner so that we may prepare and present an appropriate response so as not to delay action on this request.

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Finally, we request that a signed copy of this RESOLUTION, along with a copy of the minutes of the Board meeting, be forwarded to us for our files.

Thank you and the members of your Board of Trustees for your consideration of this request.

Sincerely,

A handwritten signature in black ink, appearing to read "Norma Muñoz".

Norma Muñoz
County Extension Agent
Family & Community Health
Nueces County Administrator

Attachment: Resolution Regarding Extracurricular Status of 4-H Organization

Texas A&M AgriLife Extension Service
Office of Nueces County
710 East Main Avenue, Suite 1, Robstown TX 78380-3148
Telephone 361.767.5220; Fax 361.767.5248
Website: <https://nueces.agrilife.org>
Email nueces@ag.tamu.edu

RESOLUTION

EXTRACURRICULAR STATUS OF 4-H ORGANIZATION

Be it hereby resolved that upon this date, the duly elected Board of Trustees of the

Port Aransas Independent School District

meeting in public with a quorum present and certified,
did adopt this resolution that recognizes the

NUECES

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County Texas 4-H Organization as approved for recognition and eligible
for extracurricular status consideration under 19 Texas Administrative Code,
Chapter 76.1, pertaining to extracurricular activities.

Participation by 4-H members under provisions of this resolution are subject
to all rules and regulations set forth under the 19 Texas Administrative Code
as interpreted by this Board and designated officials of this school district.

Texas A&M AgriLife Extension
will request academic eligibility for all 4-H competitive activities,
regardless if a school absence is or is not required,
and for non-competitive purposes when an absence is required.

Approved this _____ day of _____, 20_____.

Board of Trustees

Superintendent

CONSENT AGENDA

Consider/Take Possible Action to Approve Expenditures over \$25,000

Action Item:

The attached invoices contain expenditures/purchases for Port Aransas ISD which exceed \$25,000.

Invoice included:

- **LWA Architects – Total Contract \$830,500 (to be adjusted with final construction cost)**
 - Total architects fee at 5.50% of total construction cost
 - Pay request #2 - **\$31,143.75**
 - 50% schematic phase
- **STBP, Inc. – Total Contract \$538,641.70**
 - PAHS Art Lab Renovations
 - Pay request #2 - \$94,752.07
 - 5% retainage is withheld and payable upon completion of construction
- **Malek Inc. – Total Contract \$1,177,118**
 - MS & HS HVAC Equipment Replacement-Summer 2023
 - Pay request #3 - **\$311,262.06**
 - 10% retainage is withheld and payable upon completion of construction
 - Documents have been reviewed and certified by Jared Merdes, SCA engineers for completion.

If other costs are received prior to the board meeting on August 9, 2023 they will be added at the board meeting.

RATIONALE:	CH (Local)
BUDGET:	2021 and 2023 Bond Funds; Hurricane Harvey Recovery Funds
RECOMMENDATION:	Accept the superintendent’s recommendation to approve expenditures/payments over \$25,000 as presented.



TRANSMITTAL

Date: 08/01/2023

Project No: 2126

To: Carol Sue Hipp, Executive Director of
Business and Operations
Port Aransas ISD
100 S. Station Street
Port Aransas, Texas 78373

Project: Port Aransas ISD – Art Lab
Renovations

We are enclosing herewith the following items:

1 - Application and Certification for Payment #2 for the above referenced project.

REMARKS:

I have reviewed and certify the enclosed pay request in the amount of \$94,752.07.
Please mail your check in this amount directly to STBP, Inc., 601 Everhart Rd., Corpus
Christi, TX 78412

BY: Todd Brendalen, AIA

APPLICATION AND CERTIFICATION FOR PAYMENT

AIA DOCUMENT G702

TO OWNER:
 Port Aransas ISD
 100 S. Station St.
 Port Aransas, TX 78373
FROM CONTRACTOR:
 STBP, Inc.
 601 Everhart Rd.
 Corpus Christi, TX 78412
CONTRACT FOR:

PROJECT:
 PAISD - Art Lab Renovations
 100 S Station Street
 Port Aransas, TX 78373
VIA ARCHITECT:

APPLICATION NO: 2
PERIOD TO: 7/31/2023
PROJECT NOS: 23-006
CONTRACT DATE: 5/8/2023

Distribution to:

<input type="checkbox"/>	OWNER
<input type="checkbox"/>	ARCHITECT
<input type="checkbox"/>	CONTRACTOR
<input type="checkbox"/>	
<input type="checkbox"/>	
<input type="checkbox"/>	

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet, AIA Document G703, is attached.

1. ORIGINAL CONTRACT SUM	\$	539,238.00
2. Net Change by Change Orders	\$	9,906.13
3. CONTRACT SUM TO DATE (Line 1 + 2)	\$	549,144.13
4. TOTAL COMPLETED & STORED TO DATE (Column G on G703)	\$	174,500.25
5. RETAINAGE:		
a. <u>5</u> % of Completed Work		<u>8725.01</u>
b. <u>5</u> % of Stored Material		<u>0.00</u>
(Column F on G703)		
Total Retainage (Lines 5a + 5b or Total in Column I of G703)	\$	8,725.01
6. TOTAL EARNED LESS RETAINAGE (Line 4 less Line 5 Total)	\$	165,775.24
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT (Line 6 from prior Certificate)	\$	71,023.17
8. CURRENT PAYMENT DUE	\$	94,752.07
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$	383,368.89

CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	0.00	596.30
Total approved this Month	10,502.43	0.00
TOTALS	10,502.43	596.30
NET CHANGES by Change Order	9,906.13	

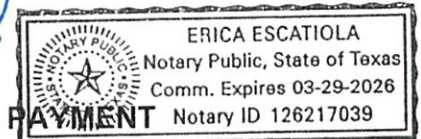
The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown here is now due.

CONTRACTOR:

By: Ashley Huddle Date: 7/31/23

State: TX County of: Nueces

Subscribed and sworn to before me this 31 day of July 2023
 Notary Public: Erica Escatiola
 My Commission expires: 3/29/2026



ARCHITECT'S CERTIFICATE FOR PAYMENT

In accordance with the Contract Documents, based on on-site observations and the data comprising the application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated, the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED..... \$ 94,752.07

(Attach explanation if amount certified differs from the amount applied. Initial all figures on this Application and on the Continuation Sheet that are changed to conform with the amount certified.)

ARCHITECT: [Signature] Date: 8/1/2023

This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without

prejudice to any rights of the Owner or Contractor under this contract.

CONTINUATION SHEET

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed Certification is attached.

APPLICATION NO: 2
 APPLICATION DATE: 7/31/2023
 PERIOD TO: 7/31/2023
 PROJECT NO: 23-006

Use Column I on Contracts where variable retainage from line items may apply.

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G / C)		
Fee									
1	Fee	36741.85	5511.28	7348.37	0.00	12859.65	35	23882.20	642.98
		36741.85	5,511.28	7348.37	0.00	12859.65		23882.20	642.98
General Requirements									
2	General Conditions NOC	4565.00	821.70	776.05	0.00	1597.75	35	2967.25	79.89
3	GC Insurance	5805.00	5805.00	0.00	0.00	5805.00	100	0.00	290.25
4	Bonds	12605.00	12605.00	0.00	0.00	12605.00	100	0.00	630.25
5	Project Management & Supervisi	49476.11	7421.42	9895.22	0.00	17316.64	35	32159.47	865.83
6	STBP Equipment	3725.00	0.00	1303.75	0.00	1303.75	35	2421.25	65.19
7	Temp Toilets/HW	1807.54	271.13	361.51	0.00	632.64	35	1174.90	31.63
8	Dumpster	3680.50	0.00	1288.18	0.00	1288.18	35	2392.32	64.41
9	Final Cleaning	2500.00	0.00	0.00	0.00	0.00	0	2500.00	0.00
10	Contingency Allowance	15000.00	0.00	15000.00	0.00	15000.00	100	0.00	750.00
11	Storm Drain Exten Allowance	3500.00	0.00	0.00	0.00	0.00	0	3500.00	0.00
		102664.15	26,924.25	28624.71	0.00	55548.96		47115.19	2777.45
Existing Conditions									
12	Demolition	35364.00	35364.00	0.00	0.00	35364.00	100	0.00	1768.20
		35364.00	35,364.00	0.00	0.00	35364.00		0.00	1768.20
Masonry									
13	Masonry Patching	2000.00	0.00	0.00	0.00	0.00	0	2000.00	0.00
		2000.00	0.00	0.00	0.00	0.00		2000.00	0.00
Metals									
14	Structural Steel	78740.00	3937.00	47741.00	0.00	51678.00	66	27062.00	2583.90
		78740.00	3,937.00	47741.00	0.00	51678.00		27062.00	2583.90
Wood, Plastics, and Composites									
15	Rough Carpentry	17200.00	2580.00	3440.00	0.00	6020.00	35	11180.00	301.00
		17200.00	2,580.00	3440.00	0.00	6020.00		11180.00	301.00
Thermal & Moisture Protection									
16	Roofing	94265.00	0.00	0.00	0.00	0.00	0	94265.00	0.00
17	Joint Sealants	1485.00	0.00	0.00	0.00	0.00	0	1485.00	0.00
		95750.00	0.00	0.00	0.00	0.00		95750.00	0.00
Openings									

CONTINUATION SHEET

AIA Document G703

Page | 3

AIA Document G702, APPLICATION AND CERTIFICATION FOR PAYMENT, containing Contractor's signed Certification is attached.

APPLICATION NO: 2
 APPLICATION DATE: 7/31/2023
 PERIOD TO: 7/31/2023
 PROJECT NO: 23-006

Use Column I on Contracts where variable retainage from line items may apply.

A ITEM NO.	B DESCRIPTION OF WORK	C SCHEDULED VALUE	D WORK COMPLETED		F MATERIALS PRESENTLY STORED (NOT IN D OR E)	G		H BALANCE TO FINISH (C - G)	I RETAINAGE (IF VARIABLE RATE)	
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD		TOTAL COMPLETED AND STORED TO DATE (D+E+F)	% (G / C)			
18	Entr & Storefront	22500.00	0.00	0.00	0.00	0.00	0	22500.00	0.00	
		22500.00	0.00	0.00	0.00	0.00		22500.00	0.00	
Finishes										
19	Gypsum Board Assemblies	57423.00	0.00	0.00	0.00	0.00	0	57423.00	0.00	
20	Flooring/Base	7385.00	0.00	0.00	0.00	0.00	0	7385.00	0.00	
21	Painting (t/f/t/p)	16400.00	0.00	0.00	0.00	0.00	0	16400.00	0.00	
		81208.00	0.00	0.00	0.00	0.00		81208.00	0.00	
HVAC										
22	HVAC	43270.00	1041.00	9921.00	0.00	10962.00	25	32308.00	548.10	
		43270.00	1,041.00	9921.00	0.00	10962.00		32308.00	548.10	
Electrical										
23	Electrical	22800.00	0.00	2260.00	0.00	2260.00	10	20540.00	113.00	
		22800.00	0.00	2260.00	0.00	2260.00		20540.00	113.00	
Electronic Detection & Alarm										
24	Fire Alarm	1000.00	0.00	0.00	0.00	0.00	0	1000.00	0.00	
		1000.00	0.00	0.00	0.00	0.00		1000.00	0.00	
CCR's										
25	CCR 01 Credit & Paint Booth	-596.30	-596.30	0.00	0.00	-596.30	100	0.00	-29.82	
26	CCR 02 Demo & Build Out	10502.43	0.00	403.94	0.00	403.94	4	10098.49	20.20	
		9906.13	-596.30	403.94	0.00	-192.36		10098.49	-9.62	
	TOTAL	549144.13	74761.23	99739.02	0.00	174500.25	32	374643.88	8725.01	

PROJECT:

PAISD - Art Lab Renovations
100 S Station Street
Port Aransas, TX 78373

On receipt by the undersigned of a check from Port Aransas ISD in the sum of NINETY FOUR THOUSAND SEVEN HUNDRED FIFTY TWO DOLLARS AND 07 CENTS (94,752.07) payable to South Texas Building Partners, and when the check has been properly endorsed and has been paid by the bank on which it is drawn, this document becomes effective to release any Mechanic's Lien, any state or federal statutory bond right, any private bond right, any claim for payment and any rights under any similar ordinance, rule or statute related to claim or payment rights for persons in the undersigned's position, the undersigned has on the above referenced project to the following extent:

This release covers a progress payment for all labor, services, equipment and materials furnished to the project site or to Port Aransas ISD through 7/31/2023 only and does not cover any retention, pending modifications and changes or items furnished after said date. Before any recipient of this document relies on it, that person should verify evidence of payment to the undersigned.

The undersigned warrants that he either has already paid or will use the funds received from this progress payment to promptly pay in full all of his laborers, subcontractors, materialmen and suppliers for all work, materials, equipment or services provided for or to the above referenced project up to the date of this waiver.

"Affiant"

STBP, Inc. (Contractor)

By Ashley Lewallen (Signature)

Ashley Lewallen (Printed Name)

VP of Projects (Title)

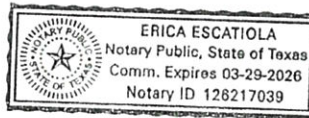
7/31/23 (Date)

SUBSCRIBED AND SWORN TO before me on 7/31/23

By Ashley Lewallen (name of Affiant)

Erica Escatola

Notary Public in and for the State of Texas





August 1, 2023

To: Carol Sue Hipp, Business Manager
Port Aransas ISD
100 Station St.
Port Aransas, TX 78373

Re: Port Aransas ISD – Central Kitchen & Performing Arts Center
Project No. 2303
PO#231040

Dear Mrs. Hipp:

Enclosed is our statement for professional services through 50% Schematic Design Phase for the referenced project.

We would appreciate payment of this statement at your earliest convenience.

Thank you.

Sincerely,

A handwritten signature in blue ink, appearing to read "Todd Brendalen", is written over the word "Sincerely,".

Todd Brendalen, AIA
LAMARR WOMACK & ASSOCIATES, LP

Enclosure



August 1, 2023

To: Carol Sue Hipp, Business Manager
 Port Aransas ISD
 100 Station St.
 Port Aransas, TX 78373

Re: Port Aransas ISD - Central Kitchen & Performing Arts Center
 Project # 2303
 PO#231040

Statement No. 2

<u>\$15,100,000.00</u>	x	<u>5.50%</u>	=	<u>\$830,500.00</u>
(Estimated Construction Cost)				(Total Arch. Fee-Final Fee Adjusted in Accordance With Final Construction Cost)

A. Schematic Phase (Up to 15% of Total Fee)	<u>\$ 124,575.00</u>	x	<u>50%</u>	=	<u>\$ 62,287.50</u>
B. Design Development Phase (20% - Up to 35% of Total Fee)	<u>\$ 166,100.00</u>	x	<u>0%</u>	=	<u>\$ -</u>
C. Construction Documents (40% - Up to 75% of Total Fee)	<u>\$ 332,200.00</u>	x	<u>0%</u>	=	<u>\$ -</u>
D. Receipt of Bids Phase (05% - Up to 80% of Total Fee)	<u>\$ 41,525.00</u>	x	<u>0%</u>	=	<u>\$ -</u>
E. Construction Phase (20% - Up to 100% of Total Fee)	<u>\$ 166,100.00</u>	x	<u>0%</u>	=	<u>\$ -</u>
Sub Total					<u>\$ 62,287.50</u>
Less Previous Payments (Not including reimbursable items)					<u>\$ (31,143.75)</u>
Sub Total					<u>\$ 31,143.75</u>
Plus Reimbursable Items -					<u>\$ -</u>
TOTAL AMOUNT REQUESTED					<u>\$ 31,143.75</u>



Stridde, Callins & Associates, Inc.

Texas Firm No. F6328
342 S. Navigation Blvd.
Corpus Christi, TX 78405-3615
Phone: (361) 883-9199 * Fax: (361) 883-9177

August 3, 2023
SCA No. 2022112

Mrs. Carol Sue Hipp

Port Aransas I.S.D. – Executive Director of Business and Operations
100 S. Station Street
Port Aransas, Texas 78373

Re: PAISD TSK 7 – MS and HS HVAC Replacements 2023
Malek Contractor Payment Application No. 3

Dear Carol Sue:

Transmitted herewith is Application for Payment No. 3 in the amount of \$311,262.06 for work through July 31, 2023. The Contractor appears to have completed the work indicated on application. Payment is recommended.

Sincerely,

A handwritten signature in black ink, appearing to read 'Jared Merdes', is written in a cursive style.

Jared Merdes, P.E., MBA, LEED AP
Mechanical Principal – Vice President

Enclosures: PMT-3
AIA G706 and G706A

Middle School and High School HVAC Equipment Replacements 2023

APPLICATION AND CERTIFICATE FOR PAYMENT

TO OWNER: Port Aransas ISD 100 South Station Street Port Aransas TX 78373	PROJECT: 30658AM PAISD-MS& HS Task Order #7 FROM: MALEK INC 2521 Antelope P.O. Box: 679 Corpus Christi 78403	APPLICATION NO.: 3 PERIOD TO: Jul 31/23 PROJECT NOS.: 2022112 CONTRACT DATE: Jan 18/23
-------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------

Distribution to:
 OWNER
 ARCHITECT
 CONTRACTOR

INVOICE - J022231

CONTRACTOR'S APPLICATION FOR PAYMENT

Application is made for payment, as shown below, in connection with the Contract. Continuation Sheet is attached.

1. ORIGINAL CONTRACT SUM.....	\$1,177,118.00
2. Net change by Change Orders.....	\$0.00
3. CONTRACT SUM TO DATE (Line 1 +- 2)...	\$1,177,118.00
4. TOTAL COMPLETED & STORED TO DATE..... (Column G)	\$1,122,192.50
5. RETAINAGE:	
a. 10% of Completed Work (Column D + E)	\$112,219.25
b. % of Stored Material (Column F)	\$0.00
Total Retainage (Line 5a + 5b or Total in Column I).....	\$112,219.25
6. TOTAL EARNED LESS RETAINAGE.... (Line 4 less Line 5 Total)	\$1,009,973.25
7. LESS PREVIOUS CERTIFICATES FOR PAYMENT	\$698,711.19
8. CURRENT PAYMENT DUE.....	\$311,262.06
9. BALANCE TO FINISH, INCLUDING RETAINAGE (Line 3 less Line 6)	\$167,144.75

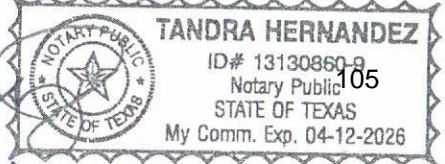
CHANGE ORDER SUMMARY	ADDITIONS	DEDUCTIONS
Total changes approved in previous months by Owner	0.00	0.00
Total approved this Month	0.00	0.00
TOTALS	0.00	0.00
NET CHANGES by Change Order	\$0.00	

The undersigned Contractor certifies that to the best of the Contractor's knowledge, information and belief the Work covered by this Application for Payment has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for Work for which previous Certificates for Payment were issued and payments received from the Owner, and that current payment shown herein is now due.

CONTRACTOR: MALEK INC
 By: *[Signature]* Date: 7-31-23
 State of: Texas

Subscribed and sworn to before me this 31th day of July, 2023

[Signature]
 Notary Public:
 My commission expires: 4-12-24



ARCHITECT'S CERTIFICATE FOR PAYMENT
Engineers
 In accordance with the Contract Document, based on on-site observations and the data comprising this application, the Architect certifies to the Owner that to the best of the Architect's knowledge, information and belief the Work has progressed as indicated the quality of the Work is in accordance with the Contract Documents, and the Contractor is entitled to payment of the AMOUNT CERTIFIED.

AMOUNT CERTIFIED..... **\$311,262.06**

(Attach explanation if amount certified differs from the amount applied for. Initial all figures on this Application and on the Continuation Sheet that are changed to conform to the amount Certified.)

Engineer
 ARCHITECT:
 By: *Jared Mercedes, P.E.* Date: 8/3/2023
 This Certificate is not negotiable. The AMOUNT CERTIFIED is payable only to the Contractor named herein. Issuance, payment and acceptance of payment are without prejudice to any rights of the Owner or Contractor under this Contract.

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT,
 containing Contractor's signed Certification, is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO.: 3
 APPLICATION DATE: Jul 31/23
 PERIOD TO: Jul 31/23
 ARCHITECT'S PROJECT NO.: 30658AM

A	B	C	D	E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD				
CONTRACT								
000001	Mobilization	50925.00	50925.00	0.00	0.00	50925.00	0.00	5092.50
000002	Permits & Bonds	25650.00	25650.00	0.00	0.00	25650.00	0.00	2565.00
000003	Owners Contingency	15000.00	0.00	0.00	0.00	0.00	15000.00	0.00
000004	Close Outs	8800.00	0.00	0.00	0.00	0.00	8800.00	0.00
00005HIGH SCHOOL								
		0.00	0.00	0.00	0.00	0.00	0.00	
000006	Demolition	60780.00	60780.00	0.00	0.00	60780.00	0.00	6078.00
000007	Electrical- Mtrls	10520.00	10520.00	0.00	0.00	10520.00	0.00	1052.00
000008	Electrical- Labor	7050.00	6345.00	705.00	0.00	7050.00	0.00	705.00
000009	FA Smoke Detect- M	2250.00	0.00	0.00	0.00	0.00	2250.00	0.00
000010	FA Smoke Detect- L	2850.00	0.00	0.00	0.00	0.00	2850.00	0.00
000011	Piping- Mtrls	4860.00	4179.60	680.40	0.00	4860.00	0.00	486.00
000012	Piping- Labor	6450.00	3547.50	2902.50	0.00	6450.00	0.00	645.00
000013	Duct Work- Mtrls	5266.00	4581.42	684.58	0.00	5266.00	0.00	526.60
000014	Duct Work- Labor	5399.00	4589.15	809.85	0.00	5399.00	0.00	539.90
000015	Insulation- Labor	1888.00	1888.00	0.00	0.00	1888.00	0.00	188.80
000016	Insulation- Mtrls	885.60	4605.12	425.88	0.00	885.60	0.00	88.56
000017	Support Equip & Ri	4460.00	4460.00	0.00	0.00	4460.00	0.00	446.00
000018	Install Owner Equip	4390.00	4390.00	0.00	0.00	4390.00	0.00	439.00
000019	Floor/ Roof Protec	2674.20	2674.20	0.00	0.00	2674.20	0.00	267.42
000020	Hole Cutting (Sub)	226.00	226.00	0.00	0.00	226.00	0.00	22.60
000021	Structural (Sub)	4020.00	1527.60	2492.40	0.00	4020.00	0.00	402.00
000022	Ceiling (Sub)	2870.00	1435.00	1435.00	0.00	2870.00	0.00	287.00
000023	Roofing (Sub)	950.20	950.20	0.00	0.00	950.20	0.00	95.02
000024	Controls (Sub)	3652.00	1826.00	1826.00	0.00	3652.00	0.00	365.20
000025	Test & Balance	645.00	0.00	0.00	0.00	0.00	645.00	0.00
000026	Start Up	907.50	0.00	907.50	0.00	907.50	0.00	90.75
000027	Commissioning	1099.50	0.00	1099.50	0.00	1099.50	0.00	109.95

CONTINUATION SHEET

APPLICATION AND CERTIFICATE FOR PAYMENT,
 containing Contractor's signed Certification, is attached.
 In tabulations below, amounts are stated to the nearest dollar.
 Use Column I on Contracts where variable retainage for line items may apply.

APPLICATION NO.: 3
 APPLICATION DATE: Jul 31/23
 PERIOD TO: Jul 31/23
 ARCHITECT'S PROJECT NO.: 30658AM

A	B	C	D	E	F	G	H	I
ITEM NO.	DESCRIPTION OF WORK	SCHEDULED VALUE	WORK COMPLETED		MATERIALS PRESENTLY STORED (NOT IN D OR E)	TOTAL COMPLETED AND STORED TO DATE (D+E+F)	BALANCE TO FINISH (C - G)	RETAINAGE (IF VARIABLE RATE)
			FROM PREVIOUS APPLICATION (D + E)	THIS PERIOD				
		0.00	0.00	0.00	0.00	0.00	0.00	
000029	Hood- Mtrls	16675.00	16675.00	0.00	0.00	16675.00	0.00	1667.50
000030	Hoods- Labor	11566.00	5780.00	5780.00	0.00	11566.00	0.00	1156.60
000031	Demolition	4066.00	4066.00	0.00	0.00	4066.00	0.00	406.60
000032	Electrical- Mtrls	9870.00	9870.00	0.00	0.00	9870.00	0.00	987.00
000033	Electrical- Labor	10765.00	8073.75	2691.25	0.00	10765.00	0.00	1076.50
000034	Piping- Mtrls	3998.00	7470.00	2241.00	0.00	3998.00	0.00	399.80
000035	Piping- Labor	3695.00	1108.50	2586.50	0.00	3695.00	0.00	369.50
000036	Duct Work- Mtrls	3610.00	0.00	3610.00	0.00	3610.00	0.00	361.00
000037	Duct Work- Labor	2860.00	2860.00	0.00	0.00	2860.00	0.00	286.00
000038	Insulation- Labor	1899.50	0.00	1899.50	0.00	1899.50	0.00	189.95
000039	Insulation- Mtrls	756.00	0.00	756.00	0.00	756.00	0.00	75.60
000040	Support Equip & Ri	3850.00	3850.00	0.00	0.00	3850.00	0.00	385.00
000041	Install Owner Equi	3900.00	1560.00	2340.00	0.00	3900.00	0.00	390.00
000042	Floor/ Roof Protec	2641.80	2641.80	0.00	0.00	2641.80	0.00	264.18
000043	Hole Cutting (Sub)	925.00	925.00	0.00	0.00	925.00	0.00	92.50
000044	Structural (Sub)	3033.90	3033.90	0.00	0.00	3033.90	0.00	303.39
000045	Ceiling (Sub)	2475.00	1237.50	1237.50	0.00	2475.00	0.00	247.50
000046	Roofing (Sub)	1577.80	1420.00	1577.80	0.00	1577.80	0.00	157.78
000047	Controls (Sub)	3230.00	2261.00	969.00	0.00	3230.00	0.00	323.00
000048	Test & Balance	442.50	0.00	442.50	0.00	442.50	0.00	44.25
000049	Start Up	880.00	0.00	880.00	0.00	880.00	0.00	88.00
000050	Commissioning	968.00	0.00	0.00	0.00	0.00	968.00	0.00
		1177118.00	776345.77	345846.73	0.00	1122192.50	54925.50	112219.25
	Total Contract	1177118.00	776345.77	345846.73	0.00	1122192.50	54925.50	112219.25



AIA® Document G706™ – 1994

Contractor's Affidavit of Payment of Debts and Claims

PROJECT: (Name and address)
PAISD MS & HS Task Order #7
100 South Station Street
Port Aransas, TX 78373

ARCHITECT'S PROJECT NUMBER: 2022112

OWNER:

ARCHITECT:

CONTRACT FOR: PAISD MS & HS HVAC Replacement CONTRACTOR:

TO OWNER: (Name and address)
Port Aransas ISD
100 South Station Street
Port Aransas, TX 78373

CONTRACT DATED: 2/3/23

SURETY:

OTHER:

STATE OF: Texas
COUNTY OF: Nueces

The undersigned hereby certifies that, except as listed below, payment has been made in full and all obligations have otherwise been satisfied for all materials and equipment furnished, for all work, labor, and services performed, and for all known indebtedness and claims against the Contractor for damages arising in any manner in connection with the performance of the Contract referenced above for which the Owner or Owner's property might in any way be held responsible or encumbered.

EXCEPTIONS:

SUPPORTING DOCUMENTS ATTACHED HERETO:

1. Consent of Surety to Final Payment. Whenever Surety is involved, Consent of Surety is required. AIA Document G707, Consent of Surety, may be used for this purpose

Indicate Attachment Yes No

CONTRACTOR: (Name and address)

Malek Inc.
P O Box 679, Corpus Christi, TX 78403

The following supporting documents should be attached hereto if required by the Owner:

1. Contractor's Release or Waiver of Liens, conditional upon receipt of final payment.
2. Separate Releases or Waivers of Liens from Subcontractors and material and equipment suppliers, to the extent required by the Owner, accompanied by a list thereof.
3. Contractor's Affidavit of Release of Liens (AIA Document G706A).

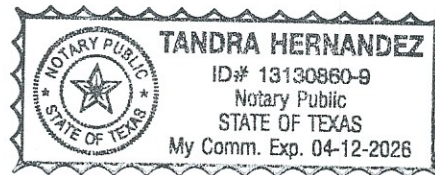
BY:


(Signature of authorized representative)

Theresa Martin, Corp. Asst. Secretary
(Printed name and title)

Subscribed and sworn to before me on this date: 7/31/23

Notary Public: 
My Commission Expires: 04/12/2026



 **AIA** Document G706A™ – 1994

Contractor's Affidavit of Release of Liens

PROJECT: <i>(Name and address)</i> PAISD MS & HS Task Order #7 100 South Station Street Port Aransas, TX 78373	ARCHITECT'S PROJECT NUMBER: 2022112	OWNER: <input checked="" type="checkbox"/>
TO OWNER: <i>(Name and address)</i> PAISD 100 South Station Street Port Aransas, TX 78373	CONTRACT FOR: PAISD MS & HS HVAC Replacements CONTRACT DATED: 2/03/23	ARCHITECT: <input checked="" type="checkbox"/> CONTRACTOR: <input checked="" type="checkbox"/> SURETY: <input type="checkbox"/> OTHER: <input type="checkbox"/>

STATE OF: TEXAS
COUNTY OF: NUECES

The undersigned hereby certifies that to the best of the undersigned's knowledge, information and belief, except as listed below, the Releases or Waivers of Lien attached hereto include the Contractor, all Subcontractors, all suppliers of materials and equipment, and all performers of Work, labor or services who have or may have liens or encumbrances or the right to assert liens or encumbrances against any property of the Owner arising in any manner out of the performance of the Contract referenced above.

EXCEPTIONS:

SUPPORTING DOCUMENTS ATTACHED HERETO:

1. Contractor's Release or Waiver of Liens, conditional upon receipt of final payment.
2. Separate Releases or Waivers of Liens from Subcontractors and material and equipment suppliers, to the extent required by the Owner, accompanied by a list thereof.

CONTRACTOR: *(Name and address)*

Malek Inc
PO Box 679, Corpus Christi TX 78403

BY:



(Signature of authorized representative)

Theresa Martin, Corp. Asst. Secretary
(Printed name and title)

Subscribed and sworn to before me on this date: 7/31/23

Notary Public
My Commission Expires: 04/12/2026

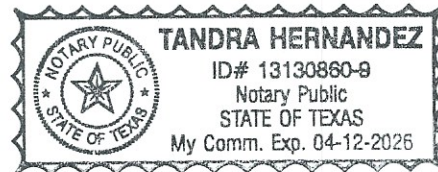


EXHIBIT "E" REQUISITION FOR PAYMENT

For Office Use Only

Date of Requisition 07/31/23 Payment No. 3
 Subcontract No. 2022112

Subcontractor
Name _____ Address _____ _____
Contractor
Malek Inc PO Box 679 Corpus Christi TX 78403
Project
<u>Port Aransas ISD MS & HS Task Order #7</u> _____ _____
Approved For Payment
_____ Project Manager / Date
Approved For Final Payment
_____ Principal In Charge / Date

Payment Data	
Original Contract Price:	\$ 1,177,118.00
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Change Order No _____	_____
Adjusted Contract Price	\$ 1,177,118.00
Work Completed	\$ 1,122,192.50
Less 10% Retainage	\$ 112,219.25
<u>95%</u> Of Work Completed	\$ 1,122,192.50
Less Previous Requests	\$ 698,711.19
Payment Now Due	\$ 311,262.06

WAIVER OF LIEN

State of TEXAS
 County of NUECES

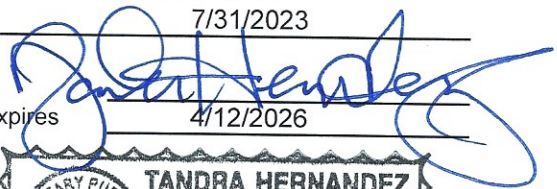
The Subcontractor certifies that all materials, labor, and services furnished by him through the above mentioned Date of Requisition have been fully paid for and the premises of the above named Project cannot be made subject to any valid lien or claims to anyone who furnishes material, labor or services to the Subcontractor for use in the Project, and the Subcontractor hereby releases the Contractor and the Owner from any further liability in connection with all labor, material, and services furnished by the Subcontractor through the Date of Requisition. The Subcontractor agrees to indemnify the Contractor and the Owner for any cost, including attorney fees, incurred for use in said project in accordance with the contract with the Subcontractor. This Waiver of Lien is given in order to induce the above mentioned Payment and upon receipt of said Payment by Subcontractor, this Waiver of Lien becomes in full force and effect.

Subscribed to and sworn to before me on
7/31/2023

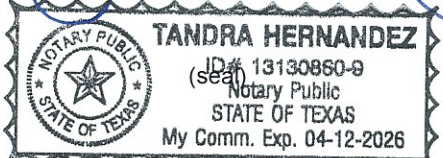
IN WITNESS THEREOF, I (we) have executed this Waiver
 of Lien on 7/31/2023

Notary Public
 Commission Expires 4/12/2026

Subcontractor MALEK, INC



By Theresa Martin 



Title Corp. Asst. Secretary

If waiver is for a Corporation, Corporate name should be used, Corporate seal affixed and title of officer signing should be used.

Consider/Take Possible Action to Approve Goals & Performance Objectives on the District Improvement Plan and Campus Improvement Plans

Action Item:

The Texas Education Code 11.251 requires that District and Campus Improvement Plans be developed, reviewed, and revised annually and that the board approve the goals & performance objectives listed in each plan.

The administrators worked with the SBDM (Site-based Decision Making) Committees on each campus and the DWEIC (Districtwide Educational Improvement Council) to review the PAISD Mission Statement and Goals and they also used the data and reports available to do a Comprehensive Needs Assessment. Based on those reviews, performance objectives were developed as well as strategies to assist in meeting those objectives. The board is considering approval of the goals & performance objectives listed on the following pages; the strategies may be updated throughout the year to assist in meeting the performance objectives.

The OES CIP will include the early childhood reading and math goals required by HB 3. The PAHS CIP will include the CCMR goal required by HB 3.

The entire DIP and CIPs, including the strategies, can be viewed at

[PAISD DIP](#)

[PAHS CIP](#)

[BMS CIP](#)

[OES CIP](#)

Rationale:	TEC 11.251
Budget:	Adopted budget funds will be used to meet the goals & performance objectives.
Recommendation:	Accept the superintendent's recommendation to approve the district goals & performance objectives as well as the performance objectives for each of the three campuses.

Consider/Take Possible Action to Approve House Bill 3 Resolution

Action Item:

House Bill 3 passed by the 88th Texas legislature includes the following text:

The board of trustees of each school district shall determine the appropriate number of armed security officers for each campus; however, they shall ensure that at least one armed security officer is present during regular school hours at each district campus.

As of August 4, 2023, there has been no further clarification from the state regarding the definition of district campus. PAISD has only one district campus with three schools located on the one district campus. Because there has been no clarification, it is recommended that the board adopt the attached resolution drafted by our school district’s attorney.

Rationale:	The resolution should satisfy the requirements of House Bill 3.
Budget:	No cost at this time for the resolution.
Recommendation:	Accept the superintendent’s recommendation to adopt the resolution as presented.

**A RESOLUTION OF THE
PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
BOARD OF TRUSTEES**

WHEREAS, the Port Aransas Independent School District (the “District”) has always been and will remain committed to providing the best possible educational opportunities for its students in the safest environment;

WHEREAS, the Texas Legislature passed House Bill 3, which was signed into law by Governor Greg Abbott;

WHEREAS, House Bill 3 amends the Texas Education Code and requires that each school campus in Texas have at least one armed security officer present during regular school hours;

WHEREAS, House Bill 3 allows for exceptions to the armed security requirement for good cause as determined by the Board of Trustees;

WHEREAS, a Texas school district is excepted from the Act for good cause due to lack of funding;

WHEREAS, a Texas school district is excepted from the Act for good cause due to a lack of qualified personnel;

WHEREAS, the administration has reviewed and analyzed the exceptions as they may apply to the Port Aransas Independent District.

NOW, THEREFORE, BE IT RESOLVED:

1. That the Board of Trustees of the Port Aransas Independent School District finds that good cause exists based on a lack of qualified personnel. The District has exercised due diligence in securing additional personnel through agreements with local law enforcement. As of this date, no additional personnel are available through the various local law enforcement agencies;
2. BE IT FURTHER resolved that the Board of Trustees of the Port Aransas Independent School District finds that good cause exists based on a lack of funding from the state of Texas. Pursuant to the school funding formula and as a result of recapture, the District lacks appropriate funds at this time to fulfill the requirements of HB 3;
3. BE IT FURTHER resolved that the District will continue to pursue and develop a plan that may include a school marshal, school guardian, and/or qualified personnel through a memorandum of understanding with a local law enforcement agency.

BE IT FINALLY RESOLVED that the Superintendent of Schools is authorized by the Board to take such actions necessary and appropriate to implement the intent of this Resolution.

FINALLY PASSED AND ADOPTED this 9th day of August, 2023.

By:

Daniel Johnson
President, Board of Trustees of the
Port Aransas Independent School District

ATTEST:

Kristi Littleton
Secretary, Board of Trustees of the
Port Aransas Independent School District

Certificate for Resolution

I hereby certify that the foregoing resolution was presented to the Board of Trustees of the Port Aransas Independent School District during a properly scheduled meeting on August 9th, 2023. A quorum of the Board of Trustees being then present, it was then duly moved and seconded that the resolution be adopted, and such resolution was then adopted according to the following vote:

Ayes: _____
Noes: _____
Abstentions: _____

To certify which, witness my hand this 9th day of August, 2023.

By: _____
Daniel Johnson
President, Board of Trustees of the
Port Aransas Independent School District

Consider/Take Possible Action to Approve Payment in Lieu of Taxes Agreement Foreign-Trade Zone with Aransas Terminal Company

Action Item:

Please see agreement included with the board packet.

Rationale:	The agreement, which includes a support letter, must be adopted by the board before the agreement can be executed and before the support letter can be signed and submitted.
Budget:	Potential costs to district could be offset by the described "Payment in Lieu of Taxes".
Recommendation:	Approve the Payment in Lieu of Taxes Agreement Foreign-Trade Zone Site as presented.

**PAYMENT IN LIEU OF TAXES (“PILOT”) AGREEMENT
FOREIGN-TRADE ZONE SITE**

THIS AGREEMENT (“Agreement”) is entered into by and between Aransas Terminal Company, LLC (“the Operator”) and the Port Aransas Independent School District (“the District”), a political subdivision of the State of Texas.

A. RECITALS

- Port of Corpus Christi Authority (POCCA) is Grantee of Foreign-Trade Zone (“FTZ”) No. 122.
- The Operator desires participation in the FTZ program through the expansion of Foreign-Trade Zone #122 to include space located at 118 HWY 361, Port Aransas, TX 78373 in Nueces County, Texas, as shown in Exhibit B (the “FTZ Site”), for which the Operator seeks designation by the Foreign-Trade Zones Board (the “Board”) of the United States Department of Commerce, and/or activation by the Bureau of Customs and Border Protection of the United States Department of Homeland Security (“Customs”).
- The Operator of the subject FTZ Site is Aransas Terminal Company, LLC.
- The Operator seeks an executed Letter of Non-Objection (“Letter”) from the District which is required to achieve designation and/or activation.
- 19 U.S.C. §81o(e) may provide a federal exemption from state and local ad valorem taxes for tangible personal property imported from outside the U.S. and held in a FTZ for purpose of storage, sale, exhibition, repacking, assembly, distribution, sorting, grading, cleaning, mixing, display, manufacturing, or processing; and tangible personal property produced within the United States and held in a FTZ for exportation, either in its original form or as altered by any of the above processes.
- Inventory qualifying under 19 U.S.C. §81o(e) and held in any activated FTZ may be exempt from state and local ad valorem taxes.
- The Operator and the District desire that designation and activation of any part of the FTZ Site cause no financial harm to the District.

In consideration of the mutual commitments expressed in this Agreement, the parties agree to the following:

B. DEFINITIONS

When used herein, the listed words have the following meanings:

“Board” means Foreign-Trade Zones Board within U.S. Department of Commerce.

“Customs” means Bureau of Customs and Border Protection within U.S. Department of Homeland Security.

“FTZ” means Foreign Trade Zone.

“FTZ Exemption” means 19 U.S.C. §810(e) federal exemption for certain inventory and any other potential exemptions from taxation for inventory in a FTZ.

“FTZ Inventory” means any inventory held in the activated portion(s) of the FTZ Site that may qualify for the FTZ Exemption.

“FTZ Site” means the tract(s) described in Exhibit B.

“FTZ Wharfage” means the charges collected by the Operator on each ton or cubic meter (whichever is greater) of cargo that cross the wharf and is designated for and inventoried into the FTZ.

“Interest” means interest payments on delinquency amounts owed to the District.

“Letter” means executed Letter of Non-Objection from the District issued on behalf of the Operator.

“PILOT Payment” means the amount of money due the District as agreed herein, which is a portion of the wharfage collected by the Operator on FTZ Inventory.

C. OBLIGATIONS

The Operator agrees to the following:

1. The Operator agrees to make PILOT payment(s) to the District in the amount of 6.0% (six percent) of the FTZ Wharfage. Said payments are to be made in the form of a check within 30 days of collection of same.
2. For any FTZ Inventory that does not receive the FTZ Exemption, PILOT Payment(s) shall not be owed to the District, however, any other taxes associated with non-FTZ inventory shall be paid.
3. No later than April 15 of each year, and for as long as this Agreement is in effect, the Operator agrees to furnish to the District business manager a notarized affidavit detailing all inventories that entered the subject FTZ, the related FTZ Wharfage charges, and an accounting of the amounts due, paid, and payable for the previous calendar year.
4. Any additional information that may be requested by the District business manager must be furnished by the Operator within 15 business days thereafter.
5. The District business manager has the right to audit the FTZ records of the Operator.

6. Upon execution of this Agreement, the District shall furnish its Letter of Support, in the form shown in Exhibit A.
7. The Operator agrees to pay Interest on Delinquent Amounts. Interest will be calculated as described in “**D. MISCELLANEOUS PROVISIONS.**”
8. The Operator agrees that any violation of this Agreement by the Operator would justify a reversal of the FTZ Site designation and/or activation by the Board and/or Customs. Furthermore, the Operator acknowledges that default under its PILOT Agreement with the District for such subject Site shall also be a default under the Operators Agreement, and result in the initiation of Deactivation and/or Deauthorization (as applicable) proceedings for such subject FTZ Site.
9. In the event of such a violation, to initiate administrative action against the Operator, the District would notify the Zone 122 Foreign Trade Zone Board Area Designee, the Port of Corpus Christi Authority, attn: Foreign Trade Zone Manager for resolution.

D. MISCELLANEOUS PROVISIONS

1. Governing Law. This Agreement will be interpreted under the laws of the State of Texas.
2. Interest. Interest shall accrue on any Delinquent Amount under this Agreement at the rate provided for in the Texas Property Tax Code as though the Delinquent Amount is a tax payment.
3. Binding Effect. This Agreement shall extend to and be binding upon and inure to the benefit of the parties hereto and their respective legal representatives, and future occupants of the 19 U.S.C. §81o(e) Site.
4. Entire Agreement. This Agreement supersedes any prior understanding or agreement between the parties with respect to the subject matter hereof and constitutes the entire understanding and agreement between the parties with respect to the subject matter hereof, and there are no agreements, understandings, restrictions, representations or warranties among the parties with respect to the subject matter hereof other than those set forth herein or provided for herein. except that all City of Port Aransas zoning code uses shall not be waived and remain in effect.
5. This Agreement Does Not Affect Other Rights, Obligations or Agreements. This Agreement does not supersede, modify, or affect any other agreement that has been or may be entered into between the Operator and any other taxing jurisdiction or any other entity, except as otherwise expressly stated in this Agreement
6. Modification of Agreement. This Agreement may be modified only by written consent of all parties.

7. Further Assurances. The parties covenant and agree that they will execute such other and further documents, after approval by the District, as are or may become necessary or convenient to effectuate and carry out the purpose of this Agreement, .
8. Severability. To the extent permitted by law, a holding by any court that any part or any provision in this Agreement is invalid, illegal, or unenforceable in any respect, shall not affect any other provision and this Agreement shall be construed as if the invalid, illegal, or unenforceable provision had never been a part of the Agreement.
9. Termination/Extension of Agreement. This Agreement shall terminate upon the revocation of 19 U.S.C. §81o(e) Site status by the Board, but such termination shall not relieve the Operator from its obligation to pay damages as provided in this Agreement, or, District has the authority (by majority vote of District board) to terminate at June 15, 2026, June 15, 2028, and then on June 15 every five (5) years hence. If voted to terminate, a 90-day written notice shall be given to the Operator. If District does not seek to terminate at any of the dates as described above, then an automatic five (5) year extension to the agreement is automatically given.
10. Counterparts. This Agreement may be executed in multiple identical counterparts and when taken together shall constitute one and the same instrument. A facsimile or similar transmission of a counterpart signed by a party hereto or a copy of a counterpart signed by a party hereto will be regarded as an original signed by such party for purposes hereof.
11. Affidavit. This Agreement shall terminate upon the determination by the District of any misrepresentation in the Affidavit and/or this Agreement which should constitute grounds for the immediate initiation of proceedings for Deactivation and/or Deauthorization for the subject 19 U.S.C. §81o(e) Site, as applicable.
12. Notices. Any notice permitted or required to be given must be in writing delivered in person or by certified U.S. Mail, return receipt requested, to the applicable party addressed as follows:

Operator: Aransas Terminal Company, LLC
Attn: Burt Moorhouse, President
P.O. Box 2740
Port Aransas, TX 78373

District: Port Aransas Independent School District
Attn: Sharon McKinney, Superintendent
100 S. Station Street
Port Aransas, TX 78373

EXECUTED on the dates set forth below, but effective as of the last date executed by all the Parties.

Port Aransas Independent School District

Aransas Terminal Company, Operator

Date: _____

Date: _____

By: _____

**Sharon McKinney
Superintendent**

By: _____

**Burt Moorhouse
president**

List of Exhibits

EXHIBIT A: Letter of Support

EXHIBIT B: Aransas Terminal Foreign Trade Zone Site

EXHIBIT A: Letter of Support

Date

Danielle Converse
FTZ Manager
Port of Corpus Christi Authority
400 Harbor Drive
Corpus Christi, Texas 78401

Dear Ms. Converse:

The purpose of this letter is to document support of the Port Aransas Independent School District for Aransas Terminal Company's application to establish and operate under Foreign-Trade Zone designation under the auspices of the Port of Corpus Christi Authority, Grantee of Foreign-Trade Zone #122.

We feel the economic benefits this company brings to our area make it a valuable asset and will have a positive impact upon the local economy, local employment, and economic development in the region.

The Port Aransas Independent School District is supportive of the proposed FTZ designation and recommends the application's expedited review and approval.

Sincerely,

Port Aransas Independent School District

Date: _____

By: _____

Sharon McKinney
Superintendent

CC: Nueces County Appraisal District
Nueces County Tax Assessor- Collector

EXHIBIT B: Aransas Terminal Foreign Trade Zone Site



DISCUSSION AND/OR ACTION ITEMS
An Order Authorizing the Issuance of Unlimited Tax School Building Bond Series 2023A

On May 6, 2023, the voters of Port Aransas ISD approved the authorization to issue up to \$37,900,000 in School Building Bonds for the following respective purposes:

- Proposition A: \$19,600,000 of bonds for the purpose of constructing, acquiring, renovating and equipping school facilities in the district;
- Proposition B: \$16,000,000 of bonds for the purpose of constructing a central kitchen & fine arts instructional space:
- Proposition C: \$300,000 of bonds for the purpose of acquiring and updating technology equipment throughout the district:
- Proposition D: \$2,000,000 of bonds for the purpose of constructing, acquiring, renovating and equipping recreational facilities in the district.

Series 2023 A for \$37,900,000 will receive a Permanent School Funding (PSF) guarantee. This guarantee makes available a lower cost of capital (interest rate) for bonded debt.

Attached is a draft of the Bond Orders for Series 2023 A that will be completed and distributed at the board meeting after the transaction has been offered on August 9, 2023 (date of sale). Victor Quiroga, Jr., Specialized Public Finance Inc., will distribute the completed order the evening of the board meeting.

RATIONALE:	CCA(Legal), The sale of the \$37,900,000 bonds represents a funding source for facility and equipment needs for PAISD.
BUDGET:	\$37,900,000
RECOMMENDATION:	The superintendent recommends that the board approve an order authorizing the issuance, of <i>“Port Aransas Independent School District Unlimited Tax School Building Bond, Series 2023A (PSF)”</i> ; levying a continuing direct annual ad valorem tax for the payment of the bonds: prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance sale and delivery of the bonds; and providing an effective date.

AN ORDER BY THE BOARD OF TRUSTEES OF THE PORT ARANSAS INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF “PORT ARANSAS INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023A (PSF)”; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Board of Trustees (the *Governing Body*) of the Port Aransas Independent School District (the *Issuer* or the *District*) hereby finds and determines that school building bonds in the total amount of \$_____ (being the principal amount of \$_____ plus an allocated amount of the [net] premium of \$_____), being the first installment of series of school building bonds approved and authorized to be issued at an election held on May 6, 2023 (the *Election*), should be issued and sold at this time; the respective authorized purposes and amounts authorized to be issued therefor, amounts previously issued, amounts being issued pursuant to this order, and amounts remaining to be issued from such voted authorizations subsequent to the date hereof as set forth herein and;

WHEREAS, the unlimited tax bonds approved and authorized to be issued, for the purposes of (i) designing, constructing, renovating, improving, upgrading, updating, modernizing, acquiring, and equipping school facilities (and any necessary or related removal of existing facilities), including HVAC repairs and replacements, and the purchase of new school buses, (ii) designing, constructing, renovating, improving, upgrading, updating, modernizing, acquiring, and equipping a central cafeteria and fine arts instructional space, (iii) acquiring, updating, improving, modernizing, and installing technology for school facilities (including hardware and software), (iv) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities for recreation, athletics, and extracurricular activities, and (v) paying the costs of issuing the Bonds, as set forth below:

Purpose	Date Authorized	Amount (\$) Authorized	Amount (\$) Previously Issued	Amount (\$) Being Issued [†]	Unissued Balance (\$)
School Facilities, School Buses	May 6, 2023	19,600,000	0	—	—
Cafeteria; Fine Arts Instructional Space	May 6, 2023	16,000,000	0	—	—
Technology	May 6, 2023	300,000	0	—	—
Recreational Facilities	May 6, 2023	2,000,000	0	—	—
		<u>\$37,900,000</u>	<u>0</u>	<u>\$—</u>	<u>\$—</u>

[†]Includes the Bonds and certain net premium allocations.

WHEREAS, pursuant to the provisions of Chapter 45, as amended, Texas Education Code (*Chapter 45*), the Issuer is authorized to issue unlimited tax school building bonds for authorized purposes;

WHEREAS, the Governing Body hereby finds and determines that the issuance of the school building bonds is in the best interests of the residents of the Issuer; now, therefore,

BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE PORT ARANSAS INDEPENDENT SCHOOL DISTRICT THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose - Bond Date. Unlimited tax school building bonds of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title “PORT ARANSAS INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023A (PSF) ” (the *Bonds*), for the purposes of providing funds (i) designing, constructing, renovating, improving, upgrading, updating, modernizing, acquiring, and equipping school facilities (and any necessary or related removal of existing facilities), including HVAC repairs and replacements, and the purchase of new school buses, (ii) designing, constructing, renovating, improving, upgrading, updating, modernizing, acquiring, and equipping a central cafeteria and fine arts instructional space, (iii) acquiring, updating, improving, modernizing, and installing technology for school facilities (including hardware and software), (iv) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities for recreation, athletics, and extracurricular activities, and (v) paying the costs of issuing the Bonds , pursuant to the authority conferred by the Election and in conformity with the laws of the State of Texas, including Chapter 45, as amended, Texas Education Code. The Bonds shall be dated August 1, 2023 (the *Bond Date*) and interest shall accrue as provided in Section 2 hereof.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations, without coupons, shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R” and numbered consecutively from One (1) upward and principal shall become due and payable on August 15 in each of the years and in amounts as described below (the *Stated Maturities*) and bear interest at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
---------------------------------	-------------------------------	---------------------------

The Bonds shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to be on or about August 24, 2023), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable initially on August 30, 2023 and semiannually on each February 15 and August 15 thereafter (each, an *Interest Payment Date*).

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds due and payable by reason of Stated Maturity, redemption, or otherwise shall be payable, without exchange or collection charges to the registered owners of the Bonds (the *Holder* or *Holder*s), appearing on the Security Register (hereinafter defined) maintained by the Paying Agent/Registrar (hereinafter defined), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The selection and appointment of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached hereto, in substantially final form, as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the Issuer may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are paid and discharged, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution, (ii) an association or a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise trust powers. The Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and shall be authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or order terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent to each Holder by United States mail, first-class postage prepaid, which notice shall also give the address of the corporate trust office of the successor Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the Holder whose name appears on the Security Register (i) on the Record Date (hereinafter defined) for purposes of paying interest on the Bonds, and (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof and redemption premium thereon, if any, upon redemption of the Bonds or at the Bonds' Stated Maturity. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding each Interest Payment Date for the Bonds (the *Record Date*), provided, however, that the Record Date for the initial interest payment date shall mean the Closing Date, and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method,

acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

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

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder of a Bond appearing on the Security Register at the close of business on the fifteenth day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Mandatory Redemption of Bonds. The Bonds stated to mature on August 15, 20__, August 15, 20__, August 15, 20__, and August 15, 20__ are referred to herein as the "Term Bonds". The Term Bonds are subject to mandatory sinking fund redemption prior to its stated maturities from money required to be deposited in the Interest and Sinking Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in the years as set forth below:

Term Bonds Stated to Mature on August 15, 20__		Term Bonds Stated to Mature on August 15, 20__	
<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
20__	___	20__	___
20__	___*	20__	___
		20__	___
		20__	___*

*Payable at Stated Maturity.

Term Bonds
Stated to Mature
on August 15, 20

Term Bonds
Stated to Mature
on August 15, 20

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
20__	—	20__	—
20__	—	20__	—
20__	—	20__	—
20__	—	20__	—
20__	—*	20__	—*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bond of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with money in the Interest and Sinking Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption of Bonds. The Bonds having Stated Maturities on August 15, 20__ through August 15, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on August 15, 20__, and the Bonds having Stated Maturities on and after August 15, 20__, shall be subject to redemption prior to Stated Maturity, at the option of the Issuer on August 15, 20__, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Issuer shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem the Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the Issuer to exercise the right to redeem the Bonds shall be entered in the minutes of the Governing Body of the Issuer.

D. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to the redemption date for the Bonds, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the Issuer and at the Issuer's expense, by the Paying Agent/Registrar to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the time such notice of redemption is mailed, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once 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*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Bond (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Bonds shall not be deemed to be Outstanding.

F. Transfer/Exchange of Bonds. Neither the Issuer nor the Paying Agent/Registrar shall be required to transfer or exchange any Bonds called for redemption, in whole or in part, during a period beginning forty-five (45) days prior to the redemption date; provided, however such limitation shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to partial redemption.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Bonds or, if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of like kind or of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/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 the Paying Agent/Registrar.

Upon surrender for transfer of any Bond (other than the Initial Bond authorized in Section 7 hereof) at the corporate trust office of the Paying Agent/Registrar, the Paying Agent/Registrar

shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the Issuer of authorized denomination and having the same Stated Maturity and of a like aggregate principal amount and interest rate as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds executed on behalf of, and furnished by, the Issuer to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or sent by United States registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Bonds, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 15 of this Order in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 6: Execution - Registration. The Bonds shall be executed on behalf of the Issuer by the President or Vice President of the Governing Body under its seal reproduced or impressed thereon and attested by the Secretary of the Governing Body. The signature of said officers on the Bonds may be manual, electronic, or facsimile. Bonds bearing the manual, electronic or facsimile signatures of individuals who are or were the proper officers of the Issuer on the Bond Date shall be deemed to be duly executed on behalf of the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the Purchasers and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual, facsimile, or electronic signature or otherwise, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual, facsimile, or electronic signature. Either of these certificates

upon any Bond shall be conclusive evidence, and the only evidence required, that such Bond has been duly certified or registered and delivered.

SECTION 7: Initial Bond. The Bonds herein authorized shall be initially issued as a single fully registered Bond in the aggregate principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the *Initial Bond*), and the Initial Bond shall be registered in the name of the Purchasers or the designee thereof, as further described in Section 16 hereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds 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 Bankers Association) and such legends and endorsements (including the guarantee of the Permanent School Fund, insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured, and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the Issuer or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Nueces and Aransas
PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023A (PSF)

Bond Date:
August 1, 2023

Interest Rate:

Stated Maturity:

CUSIP NO:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The Port Aransas Independent School District (the *Issuer*), a body corporate and political subdivision in the Counties of Nueces and Aransas, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above on the Stated Maturity date specified above (or so much as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Closing Date (anticipated to be on or about August 24, 2023, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or to Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable initially on August 30, 2023 and semiannually on each February 15 and August 15 thereafter (each, an *Interest Payment Date*).

Principal and premium, if any, of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the last business day of the month next preceding each Interest Payment Date for the Bonds (the *Record Date*); provided, however that the Record Date for the initial interest payment date shall mean the Closing Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Holder hereof at the

address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the *Bonds*) pursuant to an order adopted by the Governing Body of the Issuer (the *Order*) for the purpose of providing funds for (i) designing, constructing, renovating, improving, upgrading, updating, modernizing, acquiring, and equipping school facilities (and any necessary or related removal of existing facilities), including HVAC repairs and replacements, and the purchase of new school buses, (ii) designing, constructing, renovating, improving, upgrading, updating, modernizing, acquiring, and equipping a central cafeteria and fine arts instructional space, (iii) acquiring, updating, improving, modernizing, and installing technology for school facilities (including hardware and software), (iv) designing, constructing, renovating, improving, upgrading, updating, acquiring, and equipping school facilities for recreation, athletics, and extracurricular activities, and (v) paying the costs of issuing the Bonds, pursuant to the authority conferred by an election held in the Issuer on May 6, 2023, and in conformity with the laws of the State of Texas, including Chapter 45, as amended, Texas Education Code.

The Bonds are payable from the proceeds of an ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the Issuer.

The Bonds stated to mature on August 15, 20__, August 15, 20__, August 15, 20__, and August 15, 20__ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to its stated maturities from money required to be deposited in the Interest and Sinking Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in the years as set forth below:

<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>	
<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>
20__	_____	20__	_____
20__	_____*	20__	_____
		20__	_____
		20__	_____*

*Payable at Stated Maturity.

<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>	
<u>Year</u>	<u>Principal</u>	<u>Year</u>	<u>Principal</u>

	<u>Amount (\$)</u>		<u>Amount (\$)</u>
20__	—	20__	—
20__	—	20__	—
20__	—	20__	—
20__	—	20__	—
20__	—*	20__	—*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bond of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with money in the Interest and Sinking Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in the Order, the Bonds having Stated Maturities on August 15, 20__ through August 15, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on August 15, 20__, and the Bonds having Stated Maturities on and after August 15, 20__, shall be subject to redemption prior to Stated Maturity, at the option of the Issuer on August 15, 20__, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by the Paying Agent/Registrar and subject to the terms and provisions relating thereto contained in the Order. If this Bond is subject to prior redemption and is of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office there shall be issued to the Holder hereof, without charge therefor, for the then unredeemed balance of the principal sum hereof, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided by the Order.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable thereon from and after the redemption date on the principal amount scheduled to be redeemed. If this Bond is called for redemption, in whole or in part, the Issuer or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond, within forty-five (45) days from the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond that is redeemed in part.

Reference is hereby made to the Order, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to its Stated Maturity and deemed to be no longer Outstanding thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned to them in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred only upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same principal amount that remains Outstanding will be issued to the designated transferee or transferees.

The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity, or redemption, in whole or in part, and (iii) on any date as the owner for all other purposes, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the Special Payment Date - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the fifteenth day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the Issuer is a duly organized and legally existing governmental agency under and by virtue of the laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the Issuer have been properly done, have happened, and have been performed in regular and due time, form and manner as required by the laws of the State of Texas and the Order; that the Bonds do not exceed any constitutional or statutory limitations; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesaid. In case any provision in this Bond or application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications of this Bond shall not in any way be affected or impaired thereby. The

terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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IN WITNESS WHEREOF, the Board of Trustees of the Issuer has caused this Bond to be duly executed under its official seal.

PORT ARANSAS INDEPENDENT
SCHOOL DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(ISSUER SEAL)

C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF §
PUBLIC ACCOUNTS §
THE STATE OF TEXAS § REGISTER NO. _____
§

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

WITNESS my signature and seal of office this _____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds.

D. *Form of Registration Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Order; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date: BOKF, NA, Dallas, Texas, as Paying
Agent/Registrar

By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Bonds.

E. Form of Assignment.

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

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

[The remainder of this page intentionally left blank.]

F. The Initial Bond for the Bonds shall be in the form set forth therefor in paragraph B of this Section, except as follows:

Heading and first two paragraphs shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Nueces and Aransas
PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023A (PSF)

Bond Date: August 1, 2023 Interest Rate: "As Shown Below" Stated Maturity: "As Shown Below" CUSIP NO: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The Port Aransas Independent School District (the *Issuer*), a body corporate and political subdivision in the Counties of Nueces and Aransas, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above on the fifteenth day of August in each of the years and in the Principal Amounts and bearing interest at the per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
-------------------------------------	-----------------------------------	-------------------------------

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about September 7, 2023) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable initially on August 30, 2023 and semiannually on each February 15 and August 15 thereafter (each, an *Interest Payment Date*).

Principal and premium, if any, of this Bond shall be payable at its Stated Maturity or prior redemption, while Outstanding, to the Holder hereof, upon its presentation and surrender, at the corporate trust office of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the last business day of the month next preceding each Interest Payment Date for the Bonds (the *Record Date*), provided, however, that the Record Date for the initial interest payment date shall mean the Closing Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Permanent School Fund or Insurance Legends. If bond insurance is obtained by the Purchasers, or if the Bonds are guaranteed by the Permanent School Fund of the State of Texas, the Definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

[END OF FORMS]

SECTION 9: Definitions. For all purposes of this Order (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 37 of this Order have the meanings assigned to them in Section 37 of this Order, and all such terms, include the plural as well as the singular; (ii) all references in this Order to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Order as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Official* shall mean each of the President, Board of Trustees, the Secretary, Board of Trustees, the Superintendent of Schools, and the Business Manager (or any successor to any of the aforementioned persons serving, or any person serving on an interim basis or in an acting position in the indicated capacity).

B. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment of the agreed purchase price for the Bonds.

C. The term *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 Bonds.

D. The term *Holder or Holders* shall mean the registered owner or owners of the Bonds appearing on the Security Register maintained by the Paying Agent/Registrar.

E. The term *Interest Payment Date* shall mean the date interest is payable on the Bonds, initially on August 30, 2023 and semiannually on each February 15 and August 15 thereafter, while any of the Bonds remain Outstanding.

F. The term *Order* shall mean this order adopted by the Governing Body on the date hereof.

G. The term *Outstanding* shall mean, as of the date of determination, all Bonds issued and delivered under this Order, except:

- (1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds for which payment has been duly provided by the Issuer in accordance with the provisions of Section 20 of this Order; and
- (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 15 of this Order.

H. The term *Purchasers* shall mean the initial purchasers of the Bonds named in Section 16 of this Order.

I. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on August 15 of each year as set forth in Section 2 of this Order.

SECTION 10: Interest and Sinking Fund - Investments. For the purpose of paying the principal of, premium, if any, and interest on the Bonds, at the earlier of redemption or Stated Maturity, there shall be and is hereby created a special Fund to be designated “SERIES 2023A (PSF) PORT ARANSAS INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS INTEREST AND SINKING FUND” (the *Interest and Sinking Fund*), which Fund shall be kept and maintained at the Issuer’s depository bank, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 18. Any Authorized Official of the Issuer is hereby authorized and directed to make withdrawals from the Interest and Sinking Fund sufficient to pay the principal of and interest on the Bonds as the same become due and payable, or the purchase price thereof, and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Interest and Sinking Fund an amount sufficient to pay the purchase price or the amount of principal, premium, if any, and/or interest stated to mature on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying

Agent/Registrar on or before the fifteenth day next preceding each interest and principal payment date for the Bonds. To the extent that the Issuer receives an allocation from the Existing Debt Allotment or the Instructional Facilities Allotment established pursuant to Chapter 46, as amended, Texas Education Code or credits a portion of its Basic Allotment established pursuant to Subchapter B of Chapter 42, as amended, Texas Education Code, in order to satisfy Section 45.0031, as amended, Texas Education Code, the Issuer will comply with the provisions of Section 46.009(d), as amended, Texas Education Code and the aforementioned Section 45.0031 concerning the deposit of these funds into the Interest and Sinking Fund.

Pending the transfer of funds to the Paying Agent/Registrar, money in any fund created and established pursuant to the provisions of this Order may, at the option of the Issuer, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from the Interest and Sinking Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any funds created pursuant to the provisions of this Order shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 11: Levy of Taxes - Surplus Bond Proceeds. To provide for the payment of Bonds, there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the Issuer, without legal limit as to rate or amount, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars valuation of taxable property in the Issuer for the payment of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of, premium, if any, and interest on the Bonds, while any Bond remains Outstanding; full allowance being made for delinquencies and costs of collection. The taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the Issuer and shall be deposited into the Interest and Sinking Fund; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

Accrued interest on the Bonds received from the Purchasers, if any, and any surplus proceeds, including investment income therefrom, from the sale of the Bonds (which includes unspent investment income from Bond proceeds) not expended for authorized purposes shall be

deposited into the Interest and Sinking Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Interest and Sinking Fund from ad valorem taxes.

SECTION 12: Security of Funds. All money on deposit in the Fund for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Fund shall be used only for the purposes permitted by this Order.

SECTION 13: Notices to Holders-Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Issuer may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Issuer.

SECTION 15: Mutilated - Destroyed - Lost and Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the Issuer and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity, interest rate, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond, or payment in lieu thereof, under this Section, the Issuer may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses or charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 16: Sale of Bonds at a Negotiated Sale – Authorization of Purchase Contract – Official Statement Approval – Use of Proceeds. The Bonds authorized by this Order are hereby sold by the District to Piper Sandler & Co., as the authorized representative of a group of underwriters at a negotiated sale (the *Purchasers*, having all the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated August 9, 2023, attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the Issuer. The Initial Bond shall be registered in the name of Piper Sandler & Co. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Issuer and as the act and deed of this Governing Body, and in regard to the approval and execution of the Purchase Contract, the Governing Body hereby finds, determines and declares that the representations, warranties, and agreements of the Issuer contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Issuer. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the District hereby ratifies, confirms, and approves in all respects (i) the Issuer's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 9, 2023, in the reoffering, sale and delivery of the Bonds to the public. The President and the Secretary of the Governing Body are further authorized and directed to manually, facsimile, or electronically execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually, facsimile, or electronically executed by said officials shall be deemed to be approved by the Governing Body and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the Issuer are hereby authorized to execute and deliver

a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

Proceeds from the sale of the Bonds shall be applied as follows:

A. The District received a net reoffering premium from the sale of the Bonds of \$_____, which is hereby allocated by the District in the following manner: (1) \$_____ to pay the Purchasers' compensation; (2) \$_____ shall be used to pay certain costs of issuance; (3) \$_____, shall be deposited into the special construction account or accounts created for the projects to be constructed with the Bond proceeds, and (4) \$_____ (which is the rounding amount) shall be deposited into the Interest and Sinking Fund; and

B. The balance of the proceeds derived from the sale of the Bonds (including the portion of the net reoffering premium in the amount of \$_____ as described in paragraph A above and principal amount of \$_____ derived from the sale of the Bonds) (after paying other costs of issuance and the other deposits referred to in Paragraph A above), shall be deposited into the special construction account or accounts created for the projects to be constructed with the Bond proceeds. This special construction account shall be established and maintained at the Issuer's depository bank and shall be invested in accordance with the provisions of Section 10 of this Order. Interest earned on the proceeds of the Bonds pending completion of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 11.

SECTION 17: Permanent School Fund Guarantee. In accordance with the provisions of Subchapter C of Chapter 45 of the Texas Education Code, as amended, and 19 Texas Administrative Code Section 33.6, the Issuer has made application to, and received approval from, the Commissioner of Education of the State of Texas (the *Commissioner*) for the Bonds to be guaranteed as to the payment of principal and interest thereon by the "Permanent School Fund", created, established, and maintained pursuant to Article VII, Section 5 of the Constitution of the State of Texas, subject to compliance with the Texas Education Agency's rules and regulations. This constitutional provision also provides for the creation and funding of the "Available School Fund".

By virtue of the approval of the Bonds being eligible for such guarantee, the Issuer hereby covenants, agrees, and acknowledges that:

(1) Immediately following a determination by the Issuer of its inability to pay any principal payment or interest installment on the Bonds, and in no event later than five (5) days prior to a Stated Maturity or Interest Payment Date, the Superintendent of Schools of the Issuer shall notify the Commissioner, in the name of the Issuer, of (a) the Issuer's inability to pay all or any portion of the principal amount or interest installment of one or more Bonds, (b) the total dollar amount of funds required by the Issuer to pay in full the principal of and interest on the Bonds which the Issuer is unable to pay, (c) the name and address of the Paying Agent/Registrar for the Bonds, (d) the date when funds for the payment of the Bonds or interest thereon shall be required to be furnished to the Issuer and deposited with the Paying Agent/Registrar, and I such other information as the Commissioner shall require;

(2) Any notices to be given to the Holders hereunder shall additionally be given to the Commissioner, when and as mailed to the Holders;

(3) If the Issuer fails to pay the principal of and interest on any Bond and the payment thereof is provided with funds from the Permanent School Fund in accordance with the guarantee, the provisions of Section 45.059(b) of the Texas Education Code, as amended, shall prevail, to the extent of conflict, over the provisions of Section 14 hereof and such amount or amounts paid with funds from the Permanent School Fund or the Available School Fund, plus interest on such amount or amounts, shall be deducted from the first funds (being foundation school fund payments first, then available school fund payments) the Issuer would otherwise be lawfully entitled to receive from the State of Texas, until full reimbursement of such amount or amounts has been made to the Permanent School Fund;

(4) If two or more payments from the Permanent School Fund are made pursuant to the guarantee and the Commissioner determines that the Issuer is acting in bad faith under the guarantee, the Attorney General of the State of Texas may institute appropriate legal action to compel the Issuer and its officers, agents, and employees to comply with the duties required by law in regard to the Bonds; and

(5) If the Issuer fails to pay principal or interest on a Guaranteed Bond when it matures, other amounts not yet mature shall not be accelerated and shall not become due by virtue of the Issuer's default.

If the principal of, premium, if any, and interest on the Bonds are paid prior to Stated Maturity or if the Bonds are defeased as provided in Section 23, the guarantee as to payment of principal of and interest on the Bonds by the corpus and income of the Permanent School Fund shall immediately be terminated and be removed in its entirety. Notice of any such prepayment, or defeasance shall be forwarded to the Commissioner within ten (10) calendar days of such action.

SECTION 18: Covenants to Maintain Tax-Exempt Status.

A. Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the *Code*), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the

projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a “private business use” which is “related” and not “disproportionate,” within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

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

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

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

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

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

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

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

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

D. Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Order (the *Project*) on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

E. Disposition of Project. The Issuer covenants that the property constituting the Project will not be sold or otherwise disposed in a transaction resulting in the receipt by the Issuer of cash or other compensation, unless any action taken in connection with such disposition will not adversely affect the tax-exempt status of the Bonds. For purpose of the foregoing, the Issuer

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

F. Written Procedures. Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Governing Body hereby adopts and establishes the instructions attached hereto as Exhibit D, as the Issuer's written procedures.

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

SECTION 19: Control and Custody of Bonds. The President of the Governing Body shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchasers.

Furthermore, each Authorized Official is hereby authorized and directed to furnish and execute such documents relating to the Issuer and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Issuer's Financial Advisor, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 20: Satisfaction of Obligation of Issuer. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the Issuer to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, or any principal amounts thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amounts thereof at Stated Maturity, or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amounts thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor

acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Bonds. In the event of a defeasance of the Bonds, the Issuer shall deliver a certificate from its financial advisor, an independent accounting firm, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. As and to the extent applicable, if at all, the Issuer covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code.

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amounts thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the Issuer or deposited as directed by the Issuer. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity or applicable redemption date of the Bonds such money was deposited and is held in trust to pay shall, upon the request of the Issuer, be remitted to the Issuer against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Issuer expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 21: Order a Contract - Amendments - Outstanding Bonds. The Issuer acknowledges that the covenants and obligations of the Issuer herein contained are a material inducement to the purchase of the Bonds. This Order shall constitute a contract with the Holders from time to time, shall be binding on the Issuer, and shall not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section. The Issuer, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over

any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 22: Facilities Allotment Revenues. In connection with the issuance of the Bonds, the Issuer may make application to the Texas Education Agency for financial assistance from the State of Texas (the *State*) in accordance with the instructional facilities allotment funding program established pursuant to Chapter 46, as amended, Texas Education Code (the *Program*). In each fiscal year in which the Issuer received funding under the existing debt allotment program, the Program, or any successor State funding programs which provide a debt service subsidy for the Bonds (such funds being collectively referred to herein as Debt Subsidy Funds), the Issuer shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Interest and Sinking Fund created pursuant to Section 10. Notwithstanding the requirements of Section 11, if the Debt Subsidy Funds are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 11 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Interest and Sinking Fund.

SECTION 23: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Interest and Sinking Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Governing Body and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Order.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 24: Printed Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Bonds, the opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of the opinion on the reverse side of each of the Bonds, with an appropriate certificate pertaining thereto executed by the facsimile signature of the President or Secretary of the Governing Body, is hereby approved and authorized.

SECTION 25: CUSIP Numbers. CUSIP numbers may be printed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Issuer nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

SECTION 26: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 27: Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Paying Agent/Registrar, Bond Counsel, Financial Advisors, Purchasers, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer, the Paying Agent/Registrar, Bond Counsel, Financial Advisors, the Purchasers, and the Holders.

SECTION 28: Inconsistent Provisions. All orders, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters herein provided.

SECTION 29: Construction of Terms. 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.

SECTION 30: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 31: Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other persons or circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Order would have been enacted without such invalid provision.

SECTION 32: Public Meeting. It is officially 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, as amended, Texas Government Code.

SECTION 33: Authorization of Paying Agent/Registrar Agreement. The Governing Body hereby finds and determines that it is in the best interest of the Issuer to authorize the execution of a Paying Agent/Registrar Agreement pertaining to the registration, transferability, exchange, and payment of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated herein by reference as fully as if recopied in its entirety in this Order.

SECTION 34: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Order are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 35: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most

effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 36: No Recourse Against Issuer Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Order against any official of the Issuer or any person executing any Bond.

SECTION 37: Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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

MSRB means the Municipal Securities Rulemaking Board.

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

SEC means the United States Securities and Exchange Commission.

Undertaking means the District's continuing disclosure undertaking, described in Paragraphs B through E below, hereunder accepted and entered into by the District for the purpose of compliance with the Rule.

B. Annual Reports.

The Issuer shall file annually with the MSRB, (1) within six months after the end of each fiscal year ending in or after 2023, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 16 of this Order, being the information described in Exhibit C hereto, and (2) within twelve months after the end of each fiscal year ending in or after 2023, financial statements of the Issuer. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete

within such period, then the Issuer shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 44, as amended, Texas Education Code, the Issuer must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified or permitted public accountant and must file each audit report with the Texas Education Agency within 150 days after the close of the Issuer's fiscal year. Copies of each audit report must also be filed in the office of the Issuer and with the President or Secretary, Board of Trustees. The Issuer's fiscal records and audit reports are available for public inspection during the regular business hours of the District. Additionally, upon the filing of these financial statements and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

The Issuer shall file notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

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

- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional paying agent/registrar or the change of name of a paying agent/registrar, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affects security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

D. Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

The provisions of this Section are for the sole benefit of the Holders and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide

only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer's financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

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

No default by the Issuer in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection B of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format- Incorporation by Reference.

The Issuer information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Issuer hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit E, with which the Issuer shall follow to assure compliance with the Undertaking. The Issuer has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Issuer’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Issuer and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

SECTION 38: Book-Entry Only System.

The Bonds shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit F (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest on the Bonds pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the Holder, the word “Cede & Co.” in this Order shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository’s agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 39: Further Procedures. The officers and employees of the Issuer 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 Issuer 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 the Bonds, the Paying Agent/Registrar Agreement, and the Purchase Contract. In addition, prior to the initial delivery of the Bonds, each 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 (1) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (2) obtain a rating from any nationally recognized rating service, or (3) obtain the approval of the Bonds by the Texas Attorney General's office. Bond Counsel is further authorized to institute any bond validation suit under Chapter 1205, as amended, Texas Government Code (or any successor statute thereto) related to the Bonds while the Bonds are outstanding and unpaid. In case any officer of the Issuer 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 40: Reserved.

SECTION 41: Issuer'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 Issuer hereby consents to and authorizes any Authorized Official, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 42: Effective Date. This Order shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this 9th day of August, 2023.

PORT ARANSAS INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

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INDEX TO EXHIBITS

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EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. __

EXHIBIT B

Purchase Contract

See Tab No. __

EXHIBIT C

Description of Annual Financial Information

The following information is referred to in Section 37 of this Order.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the District to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

- (1) Within six months after the end of each fiscal year, the quantitative financial information and operating data of the District of the general type included in the Official Statement under Table 1 and in Tables 1 through 8 in Appendix A.
- (2) Within twelve months after the end of each fiscal year, the District's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the unaudited financial statements of the District appended to the Official Statement as Appendix E, but for the most recently concluded fiscal year.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT D

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, the District's business manager (the *Responsible Person*), which currently is the District's Business Manager, will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within six (6) months of the date of delivery of the Bonds (the *Issue Date*);
- (ii) monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Bonds after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the District (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bonds are outstanding, any person, other than the District, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bonds and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Bonds. If any portion of the Bonds is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the District's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT E

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 37 of the Order. “Bonds” refers to the Bonds that are the subject of the Order to which this Exhibit is attached.

II. As a capital markets participant, the District is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the *Effective Date*), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the District’s compliance with the Rule.

III. The District is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 37 of the Order, which provisions are a part of the Undertaking.

IV. The District is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the District is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The District now establishes the following general policies and procedures (the *Policies and Procedures*) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the District’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the District’s obligations under the Rule, the advice from and discussions with the District’s internal senior staff (including staff charged with administering the District’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the *Compliance Team*):

1. the Superintendent of the District or the Business Manager (the *Compliance Officer*) shall be responsible for satisfying the District’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the District’s information of the type described in Section 37 of the Order;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 37 of the Order;

4. the Compliance Officer shall work with external consultants of the District, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the District and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the District, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any District agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the District; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the District’s internal staff identified by the Compliance Officer to assist with the District’s satisfaction of the terms and provisions of the Undertaking.

EXHIBIT F

DTC Letter of Representations

See Tab No. __

DISCUSSION AND/OR ACTION ITEMS

An Order Authorizing the Issuance of Unlimited Tax School Building Bond Series 2023B

In two separate elections held in May, 2017 and November, 2020 the voters of Port Aransas ISD approved the authorization to issue up to \$720,000 in School Building Bonds for the construction of employee housing which does not qualify for the Permanent School Funding (PSF) guarantee. The District anticipates an increase in the cost of capital (higher interest rate) with this issue.

Attached is a draft of the Bond Orders for Series 2023B that will be completed and distributed at the board meeting after the transaction has been offered on August 9, 2023 (date of sale). Victor Quiroga, Jr., Specialized Public Finance Inc., will distribute the completed order the evening of the board meeting.

RATIONALE:	CCA(Legal), The sale of the \$720,000 bonds represents a funding source for construction of employee housing.
BUDGET:	\$720,000 funds would be used to construct employee housing.
RECOMMENDATION:	The superintendent recommends that the board approve an order authorizing the issuance of “ <i>Port Aransas Independent School District Unlimited Tax School Building Bond, Series 2021B (NON-PSF)</i> ”; levying a continuing direct annual ad valorem tax for the payment of the bonds; prescribing the form, terms, conditions, and resolving other matters incident and related to the issuance, sale and delivery of the bonds; and providing an effective date.

AN ORDER BY THE BOARD OF TRUSTEES OF THE PORT ARANSAS INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF “PORT ARANSAS INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023B (Non-PSF)”; LEVYING A CONTINUING DIRECT ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; PRESCRIBING THE FORM, TERMS, CONDITIONS, AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE ISSUANCE, SALE, AND DELIVERY OF THE BONDS, INCLUDING THE APPROVAL AND DISTRIBUTION OF AN OFFICIAL STATEMENT PERTAINING THERETO; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE CONTRACT; COMPLYING WITH THE LETTER OF REPRESENTATIONS ON FILE WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Board of Trustees (the *Governing Body*) of the Port Aransas Independent School District (the *Issuer* or the *District*) hereby finds and determines that school building bonds in the total amount of \$_____ (being the principal amount of \$_____ plus an allocated amount of the [net] premium of \$_____), representing the second and final installments of series of school building bonds approved and authorized to be issued pursuant to two separate elections held on May 6, 2017 and November 3, 2020 (collectively, the *Election*), should be issued and sold at this time; the respective authorized purposes and amounts authorized to be issued therefor, amounts previously issued, amounts being issued pursuant to this order, and amounts remaining to be issued from such voted authorizations subsequent to the date hereof as set forth herein and;

WHEREAS, the unlimited tax bonds approved and authorized to be issued, for the purposes of (i) constructing, acquiring, and equipping housing for teachers in the District, and (ii) paying the costs of issuing the Bonds, are being issued from the voted authorization set forth below:

Purpose	Date Authorized	Amount (\$) Authorized	Amount (\$) Previously Issued	Amount (\$) Being Issued [*]	Unissued Balance (\$)
School Facilities	May 6, 2017	6,000,000	5,640,000	[360,000]	—
Teacher Housing	November 3, 2020	5,000,000	4,640,000	[360,000]	—
		<u>\$11,000,000</u>	<u>\$10,280,000</u>	<u>[\$720,000]</u>	<u>\$_____</u>

^{*}Includes the Bonds and certain net premium allocations.

WHEREAS, pursuant to the provisions of Chapter 45, as amended, Texas Education Code (*Chapter 45*), the Issuer is authorized to issue unlimited tax school building bonds for authorized purposes;

WHEREAS, the Governing Body hereby finds and determines that the issuance of the school building bonds is in the best interests of the residents of the Issuer; now, therefore,

BE IT ORDERED BY THE BOARD OF TRUSTEES OF THE PORT ARANSAS INDEPENDENT SCHOOL DISTRICT THAT:

SECTION 1: Authorization - Designation - Principal Amount - Purpose - Bond Date. Unlimited tax school building bonds of the Issuer shall be and are hereby authorized to be issued in the aggregate principal amount of \$_____ to be designated and bear the title “PORT ARANSAS INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023B (Non-PSF)” (the *Bonds*), for the purposes of providing funds for (i) constructing, acquiring, and equipping housing for teachers in the District, and (ii) paying the costs of issuing the Bonds, pursuant to the authority conferred by the Election and in conformity with the laws of the State of Texas, including Chapter 45, as amended, Texas Education Code. The Bonds shall be dated August 1, 2023 (the *Bond Date*) and interest shall accrue as provided in Section 2 hereof.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates. The Bonds shall be issued as fully registered obligations, without coupons, shall be issued in denominations of \$5,000 or any integral multiple thereof (within a Stated Maturity), shall be lettered “R” and numbered consecutively from One (1) upward and principal shall become due and payable on August 15 in each of the years and in amounts as described below (the *Stated Maturities*) and bear interest at the rates per annum in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
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The Bonds shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to be on or about August 24, 2023), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the rates per annum shown in the above schedule (calculated on the basis of a 360-day year of twelve 30-day months). Interest on the Bonds shall be payable initially on August 30, 2023, and semiannually on each February 15 and August 15 thereafter (each, an *Interest Payment Date*).

SECTION 3: Payment of Bonds - Paying Agent/Registrar. The principal of, premium, if any, and the interest on the Bonds due and payable by reason of Stated Maturity, redemption, or otherwise shall be payable, without exchange or collection charges to the registered owners of the Bonds (the *Holder* or *Holder*s), appearing on the Security Register (hereinafter defined) maintained by the Paying Agent/Registrar (hereinafter defined), in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts.

The selection and appointment of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*) to serve as the initial Paying Agent/Registrar for the Bonds is hereby approved and confirmed, and the Issuer agrees and covenants to cause to be kept and maintained at the corporate trust office of the Paying Agent/Registrar books and records (the *Security Register*) for the registration, payment, and transfer of the Bonds, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached hereto, in substantially final form, as Exhibit A, and such reasonable rules and regulations as the Paying Agent/Registrar and the Issuer may prescribe. The Issuer covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds

are paid and discharged, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution, (ii) an association or a corporation organized and doing business under the laws of the United States or any state, authorized under such laws to exercise trust powers. The Paying Agent/Registrar shall be subject to supervision or examination by federal or state authority and shall be authorized by law to serve as a Paying Agent/Registrar.

The Issuer reserves the right to appoint a successor Paying Agent/Registrar upon providing the previous Paying Agent/Registrar with a certified copy of a resolution or order terminating such agency. Additionally, the Issuer agrees to promptly cause a written notice of this substitution to be sent to each Holder by United States mail, first-class postage prepaid, which notice shall also give the address of the corporate trust office of the successor Paying Agent/Registrar.

Principal of, premium, if any, and interest on the Bonds, due and payable by reason of Stated Maturity, redemption, or otherwise, shall be payable only to the Holder whose name appears on the Security Register (i) on the Record Date (hereinafter defined) for purposes of paying interest on the Bonds, and (ii) on the date of surrender of the Bonds for purposes of receiving payment of principal thereof and redemption premium thereon, if any, upon redemption of the Bonds or at the Bonds' Stated Maturity. The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Bond for purposes of receiving payment and all other purposes whatsoever, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary.

Principal of and premium, if any, on the Bonds shall be payable only upon presentation and surrender of the Bonds to the Paying Agent/Registrar at its corporate trust office. Interest on the Bonds shall be paid to the Holder whose name appears in the Security Register at the close of business on the last business day of the month next preceding each Interest Payment Date for the Bonds (the *Record Date*), provided, however, that the Record Date for the initial interest payment date shall mean the Closing Date, and shall be paid (i) by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, by the Paying Agent/Registrar, to the address of the Holder appearing in the Security Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested in writing by the Holder at the Holder's risk and expense.

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

In the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage

prepaid, to the address of each Holder of a Bond appearing on the Security Register at the close of business on the fifteenth day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Mandatory Redemption of Bonds. The Bonds stated to mature on August 15, 20__, August 15, 20__, August 15, 20__, and August 15, 20__ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to its stated maturities from money required to be deposited in the Interest and Sinking Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in the years as set forth below:

<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>	
<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>
20__	___	20__	___
20__	___*	20__	___
		20__	___
		20__	___*

*Payable at Stated Maturity.

<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>	
<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>
20__	___	20__	___
20__	___	20__	___
20__	___	20__	___
20__	___	20__	___
20__	___*	20__	___*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bond of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and

canceled by the Paying Agent/Registrar at the request of the District with money in the Interest and Sinking Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

B. Optional Redemption of Bonds. The Bonds having Stated Maturities on August 15, 20__ through August 15, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on August 15, 20__, or on any date thereafter, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par plus accrued interest to the date of redemption.

C. Exercise of Redemption Option. At least forty-five (45) days prior to a date set for the redemption of the Bonds (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the Issuer shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem the Bonds, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the Issuer to exercise the right to redeem the Bonds shall be entered in the minutes of the Governing Body of the Issuer.

D. Selection of Bonds for Redemption. If less than all Outstanding Bonds of the same Stated Maturity are to be redeemed on a redemption date, the Paying Agent/Registrar shall select at random and by lot the Bonds to be redeemed, provided that if less than the entire principal amount of a Bond is to be redeemed, the Paying Agent/Registrar shall treat such Bond then subject to redemption as representing the number of Bonds Outstanding which is obtained by dividing the principal amount of such Bond by \$5,000.

E. Notice of Redemption. Not less than thirty (30) days prior to the redemption date for the Bonds, the Paying Agent/Registrar shall cause a notice of redemption to be sent by United States mail, first-class postage prepaid, in the name of the Issuer and at the Issuer's expense, by the Paying Agent/Registrar to each Holder of a Bond to be redeemed in whole or in part at the address of the Holder appearing on the Security Register at the time such notice of redemption is mailed, and any notice of redemption so mailed shall be conclusively presumed to have been duly given irrespective of whether received by the Holder. This notice may also be published once 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*).

All notices of redemption shall (i) specify the date of redemption for the Bonds, (ii) identify the Bonds to be redeemed and, in the case of a portion of the principal amount to be redeemed, the principal amount thereof to be redeemed, (iii) state the redemption price, (iv) state that the Bonds, or the portion of the principal amount thereof to be redeemed, shall become due and payable on the redemption date specified, and the interest thereon, or on the portion of the principal amount thereof to be redeemed, shall cease to accrue from and after the redemption date, and (v) specify that payment of the redemption price for the Bonds, or the principal amount thereof to be redeemed, shall be made at the corporate trust office of the Paying Agent/Registrar only upon presentation and surrender thereof by the Holder.

If a Bond is subject by its terms to redemption and has been called for redemption and notice of redemption thereof has been duly given as hereinabove provided, such Bond (or the principal amount thereof to be redeemed) so called for redemption shall become due and payable, and if money sufficient for the payment of such Bonds (or of the principal amount thereof to be redeemed) at the then applicable redemption price is held for the purpose of such payment by the Paying Agent/Registrar, then on the redemption date designated in such notice, interest on the Bond (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Bonds shall not be deemed to be Outstanding.

F. Transfer/Exchange of Bonds. Neither the Issuer nor the Paying Agent/Registrar shall be required to transfer or exchange any Bonds called for redemption, in whole or in part, during a period beginning forty-five (45) days prior to the redemption date; provided, however such limitation shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond which is subject to partial redemption.

SECTION 5: Registration - Transfer - Exchange of Bonds - Predecessor Bonds. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Bonds or, if appropriate, the nominee thereof. Any Bond may, in accordance with its terms and the terms hereof, be transferred or exchanged for Bonds of like kind or of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Bond to the Paying Agent/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 the Paying Agent/Registrar.

Upon surrender for transfer of any Bond (other than the Initial Bond authorized in Section 7 hereof) at the corporate trust office of the Paying Agent/Registrar, the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Bonds executed on behalf of, and furnished by, the Issuer of authorized denomination and having the same Stated Maturity and of a like aggregate principal amount and interest rate as the Bond or Bonds surrendered for transfer.

At the option of the Holder, Bonds may be exchanged for other Bonds of authorized denominations and having the same Stated Maturity, bearing the same rate of interest, and of like aggregate principal amount as the Bonds surrendered for exchange, upon surrender of the Bonds to be exchanged at the corporate trust office of the Paying Agent/Registrar. Whenever any Bonds are so surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Bonds executed on behalf of, and furnished by, the Issuer to the Holder requesting the exchange.

All Bonds issued upon any transfer or exchange of Bonds shall be delivered at the corporate trust office of the Paying Agent/Registrar, or sent by United States registered mail to the Holder at his request, risk, and expense, and upon the delivery thereof, the same shall be the valid obligations of the Issuer, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Bonds surrendered in such transfer or exchange.

All transfers or exchanges of Bonds pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, and except that the Paying

Agent/Registrar shall require payment by the Holder requesting such transfer or exchange of any tax or other governmental charges required to be paid with respect to such transfer or exchange.

Bonds canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Bonds, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Bond or Bonds registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Bonds shall include any Bond registered and delivered pursuant to Section 15 of this Order in lieu of a mutilated, lost, destroyed, or stolen Bond which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Bond.

SECTION 6: Execution - Registration. The Bonds shall be executed on behalf of the Issuer by the President or Vice President of the Governing Body under its seal reproduced or impressed thereon and attested by the Secretary of the Governing Body. The signature of said officers on the Bonds may be manual, electronic, or facsimile. Bonds bearing the manual, electronic or facsimile signatures of individuals who are or were the proper officers of the Issuer on the Bond Date shall be deemed to be duly executed on behalf of the Issuer, notwithstanding that such individuals or either of them shall cease to hold such offices at the time of delivery of the Bonds to the Purchasers and with respect to Bonds delivered in subsequent exchanges and transfers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Bond shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless there appears on such Bond either a certificate of registration substantially in the form provided in Section 8C, executed by the Comptroller of Public Accounts of the State of Texas or his duly authorized agent by manual, facsimile, or electronic signature or otherwise, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual, facsimile, or electronic signature. Either of these certificates upon any Bond shall be conclusive evidence, and the only evidence required, that such Bond has been duly certified or registered and delivered.

SECTION 7: Initial Bond. The Bonds herein authorized shall be initially issued as a single fully registered Bond in the aggregate principal amount of \$_____ with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the *Initial Bond*), and the Initial Bond shall be registered in the name of the Purchasers or the designee thereof, as further described in Section 16 hereof. The Initial Bond shall be the Bond submitted to the Office of the Attorney General of the State of Texas for approval, certified and registered by the Office of the Comptroller of Public Accounts of the State of Texas and delivered to the Purchasers. Any time after the delivery of the Initial Bond, the Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Bond delivered hereunder and exchange therefor definitive Bonds of like kind and of authorized denominations, Stated Maturities, principal amounts and bearing applicable interest rates for transfer and delivery to the Holders named at the addresses identified therefor; all pursuant to and in accordance with such written instructions from the Purchasers, or the designee thereof, and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Bonds, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of Paying Agent/Registrar, and the form of Assignment to be printed on each of the Bonds 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 Bankers Association) and such legends and endorsements (including insurance legends in the event the Bonds, or any Stated Maturities thereof, are insured, and any reproduction of an opinion of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the Issuer or determined by the officers executing such Bonds as evidenced by their execution thereof. Any portion of the text of any Bond may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Bond.

The definitive Bonds shall be printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing the Bonds as evidenced by their execution thereof, but the Initial Bond submitted to the Attorney General of Texas may be typewritten or photocopied or otherwise reproduced.

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B. Form of Definitive Bond.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Nueces and Aransas
PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023B (Non-PSF)

Bond Date:
August 1, 2023

Interest Rate:

Stated Maturity:

CUSIP NO:

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The Port Aransas Independent School District (the *Issuer*), a body corporate and political subdivision in the Counties of Nueces and Aransas, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above on the Stated Maturity date specified above (or so much as shall not have been paid upon prior redemption) and to pay interest on the unpaid principal amount hereof from the Closing Date (anticipated to be on or about August 24, 2023, or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to the earlier of redemption or to Stated Maturity, at the per annum rate of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable initially on August 30, 2023, and semiannually on each February 15 and August 15 thereafter (each, an *Interest Payment Date*).

Principal and premium, if any, of this Bond shall be payable to the Holder hereof, upon presentation and surrender, at the corporate trust office of the Paying Agent/Registrar executing the registration certificate appearing hereon, or its successor. Interest shall be payable to the Holder of this Bond (or one or more Predecessor Bonds, as defined in the Order hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the last business day of the month next preceding each Interest Payment Date for the Bonds (the *Record Date*), provided, however, that the Record Date for the initial interest payment date shall mean the Closing Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or before the appropriate date of payment, by United States mail, first-class postage prepaid, to the Holder hereof at the

address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

This Bond is one of the series specified in its title issued in the aggregate principal amount of \$_____ (the *Bonds*) pursuant to an order adopted by the Governing Body of the Issuer (the *Order*) for the purpose of providing funds for (i) constructing, acquiring, and equipping housing for teachers in the District, and (ii) paying the costs of issuing the Bonds, pursuant to the authority conferred by an elections held in the Issuer on May 6, 2017 and November 3, 2020, and in conformity with the laws of the State of Texas, including Chapter 45, as amended, Texas Education Code.

The Bonds are payable from the proceeds of an ad valorem tax levied, without limit as to rate or amount, upon all taxable property within the Issuer.

The Bonds stated to mature on August 15, 20__, August 15, 20__, August 15, 20__, and August 15, 20__ are referred to herein as the “Term Bonds”. The Term Bonds are subject to mandatory sinking fund redemption prior to its stated maturities from money required to be deposited in the Interest and Sinking Fund for such purpose and shall be redeemed in part, by lot or other customary method, at the principal amount thereof plus accrued interest to the date of redemption in the following principal amounts on August 15 in the years as set forth below:

<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>	
<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>
20__	_____	20__	_____
20__	_____*	20__	_____
		20__	_____
		20__	_____*

*Payable at Stated Maturity.

<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>		<u>Term Bonds</u> <u>Stated to Mature</u> <u>on August 15, 20__</u>	
<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Year</u>	<u>Principal</u> <u>Amount (\$)</u>
20__	_____	20__	_____
20__	_____	20__	_____
20__	_____	20__	_____
20__	_____	20__	_____
20__	_____*	20__	_____*

*Payable at Stated Maturity.

The principal amount of a Term Bond required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the District, by the principal amount of any Term Bond of such Stated Maturity which, at least fifty (50) days prior to the mandatory redemption date (1) shall have been defeased or acquired by the District and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the District with money in the Interest and Sinking Fund, or (3) shall have been redeemed pursuant to the optional redemption provisions set forth below and not theretofore credited against a mandatory redemption requirement.

As specified in the Order, the Bonds stated to mature on and after August 15, 20__ through August 15, 20__ shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on August 15, 20__, or on any date thereafter, in whole or in part in principal amounts of \$5,000 or any integral multiple thereof (and if within a Stated Maturity selected at random and by lot by the Paying Agent/Registrar) at the redemption price of par, together with accrued interest to the date of redemption, and upon thirty (30) days prior written notice being given by the Paying Agent/Registrar and subject to the terms and provisions relating thereto contained in the Order. If this Bond is subject to prior redemption and is of a denomination in excess of \$5,000, portions of the principal sum hereof in installments of \$5,000 or any integral multiple thereof may be redeemed, and, if less than all of the principal sum hereof is to be redeemed, upon the surrender of this Bond to the Paying Agent/Registrar at its corporate trust office there shall be issued to the Holder hereof, without charge therefor, for the then unredeemed balance of the principal sum hereof, a new Bond or Bonds of like Stated Maturity and interest rate in any authorized denominations provided by the Order.

If this Bond (or any portion of the principal sum hereof) shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Bond (or the portion of the principal sum hereof to be redeemed) shall become due and payable, and, if money for the payment of the redemption price and the interest accrued on the principal amount to be redeemed to the date of redemption is held for the purpose of such payment by the Paying Agent/Registrar, interest shall cease to accrue and be payable thereon from and after the redemption date on the principal amount scheduled to be redeemed. If this Bond is called for redemption, in whole or in part, the Issuer or the Paying Agent/Registrar shall not be required to issue, transfer, or exchange this Bond, within forty-five (45) days from the date fixed for redemption; provided, however, such limitation of transfer shall not be applicable to an exchange by the Holder of the unredeemed balance of a Bond that is redeemed in part.

Reference is hereby made to the Order, a copy of which is on file in the corporate trust office of the Paying Agent/Registrar, and to all of the provisions of which the Holder by his acceptance hereof hereby assents, for definitions of terms; the description of and the nature and extent of the tax levied for the payment of the Bonds; the terms and conditions relating to the transfer or exchange of this Bond; the conditions upon which the Order may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the Issuer and the Paying Agent/Registrar; the terms and provisions upon which this Bond may be redeemed or discharged at or prior to its Stated Maturity and deemed to be no longer Outstanding

thereunder; and for the other terms and provisions thereof. Capitalized terms used herein have the meanings assigned to them in the Order.

This Bond, subject to certain limitations contained in the Order, may be transferred only upon its presentation and surrender at the corporate trust office of the Paying Agent/Registrar, with the Assignment hereon duly endorsed by, or accompanied by a written instrument of transfer in form satisfactory to the Paying Agent/Registrar duly executed by, the Holder hereof, or his duly authorized agent, and such transfer is noted on the Security Register by the Paying Agent/Registrar. When a transfer occurs, one or more new fully registered Bonds of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same principal amount that remains Outstanding will be issued to the designated transferee or transferees.

The Issuer and the Paying Agent/Registrar, and any agent of either, shall treat the Holder whose name appears on the Security Register (i) on the Record Date as the owner entitled to payment of interest hereon, (ii) on the date of surrender of this Bond as the owner entitled to payment of principal hereof at its Stated Maturity, or redemption, in whole or in part, and (iii) on any date as the owner for all other purposes, and neither the Issuer nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. In the event of nonpayment of interest on a scheduled payment date and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the Special Payment Date - which shall be fifteen (15) days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Holder appearing on the Security Register at the close of business on the fifteenth day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the Issuer is a duly organized and legally existing governmental agency under and by virtue of the laws of the State of Texas; that the issuance of the Bonds is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the issuance of the Bonds to render the same lawful and valid obligations of the Issuer have been properly done, have happened, and have been performed in regular and due time, form and manner as required by the laws of the State of Texas and the Order; that the Bonds do not exceed any constitutional or statutory limitations; and that due provision has been made for the payment of the principal of and interest on the Bonds by the levy of a tax as aforesated. In case any provision in this Bond or application thereof shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications of this Bond shall not in any way be affected or impaired thereby. The terms and provisions of this Bond and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

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IN WITNESS WHEREOF, the Board of Trustees of the Issuer has caused this Bond to be duly executed under its official seal.

PORT ARANSAS INDEPENDENT
SCHOOL DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(ISSUER SEAL)

C. *Form of Registration Certificate of Comptroller of Public Accounts to appear on Initial Bond only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER OF §
PUBLIC ACCOUNTS §
THE STATE OF TEXAS § REGISTER NO. _____
§

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

WITNESS my signature and seal of office this _____

Comptroller of Public Accounts
of the State of Texas

(SEAL)

*NOTE TO PRINTER: Do Not Print on Definitive Bonds.

D. *Form of Registration Certificate of Paying Agent/Registrar to Appear on Definitive Bonds only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Bond has been duly issued under the provisions of the within-mentioned Order; the Bond or Bonds of the above entitled and designated series originally delivered having been approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts, as shown by the records of the Paying Agent/Registrar.

Registered this date: BOKF, NA, Dallas, Texas, as Paying
Agent/Registrar

By: _____
Authorized Signature

*NOTE TO PRINTER: Print on Definitive Bonds.

E. Form of Assignment.

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

DATED: _____

NOTICE: The signature on this assignment must correspond with the name of the registered owner as it appears on the face of the within Bond in every particular.

Signature guaranteed:

[The remainder of this page intentionally left blank.]

F. The Initial Bond for the Bonds shall be in the form set forth therefor in paragraph B of this Section, except as follows:

Heading and first two paragraphs shall be amended to read as follows:

REGISTERED
NO. T-1

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Nueces and Aransas
PORT ARANSAS INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2023B (Non-PSF)

Bond Date: August 1, 2023 Interest Rate: "As Shown Below" Stated Maturity: "As Shown Below" CUSIP NO: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The Port Aransas Independent School District (the *Issuer*), a body corporate and political subdivision in the Counties of Nueces and Aransas, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above (the *Holder*), or the registered assigns thereof, the Principal Amount specified above on the fifteenth day of August in each of the years and in the Principal Amounts and bearing interest at the per annum rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
-------------------------------------	-----------------------------------	-------------------------------

(Information to be inserted from schedule in Section 2 hereof).

(or so much thereof as shall not have been paid upon prior redemption) and to pay interest on the unpaid Principal Amount hereof from the Closing Date (anticipated to occur on or about August 24, 2023) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity or prior redemption, while Outstanding, at the per annum rates of interest specified above computed on the basis of a 360-day year of twelve 30-day months; such interest being payable initially on August 30, 2023, and semiannually on each February 15 and August 15 thereafter (each, an *Interest Payment Date*).

Principal and premium, if any, of this Bond shall be payable at its Stated Maturity or prior redemption, while Outstanding, to the Holder hereof, upon its presentation and surrender, at the corporate trust office of BOKF, NA, Dallas, Texas (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Bond whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the last business day of the month next preceding each Interest Payment Date for the Bonds (the *Record Date*), provided, however, that the Record Date for the initial interest payment date shall mean the Closing Date. All payments of principal of, premium, if any, and interest on this Bond shall be in any coin or currency of the United States of America which at the time of payment is legal tender for the payment of public and private debts. Interest shall be paid by the Paying Agent/Registrar by check sent on or prior to the appropriate date of payment by United States mail, first-class postage prepaid, to the Holder hereof at the address appearing in the Security Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder hereof.

G. Insurance Legends. If bond insurance is obtained by the Purchasers, the Definitive Bonds and the Initial Bond shall bear an appropriate legend as provided by the insurer.

[END OF FORMS]

SECTION 9: Definitions. For all purposes of this Order (as defined below), except as otherwise expressly provided or unless the context otherwise requires: (i) the terms defined in this Section have the meanings assigned to them in this Section, and certain terms used in Section 37 of this Order have the meanings assigned to them in Section 37 of this Order, and all such terms, include the plural as well as the singular; (ii) all references in this Order to designated “Sections” and other subdivisions are to the designated Sections and other subdivisions of this Order as originally adopted; and (iii) the words “herein”, “hereof”, and “hereunder” and other words of similar import refer to this Order as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Official* shall mean each of the President, Board of Trustees, the Secretary, Board of Trustees, the Superintendent of Schools, and the Business Manager (or any successor to any of the aforementioned persons serving, or any person serving on an interim basis or in an acting position in the indicated capacity).

B. The term *Closing Date* shall mean the date of physical delivery of the Initial Bond in exchange for the payment of the agreed purchase price for the Bonds.

C. The term *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 Bonds.

D. The term *Holder or Holders* shall mean the registered owner or owners of the Bonds appearing on the Security Register maintained by the Paying Agent/Registrar.

E. The term *Interest Payment Date* shall mean the date interest is payable on the Bonds, initially on August 30, 2023, and semiannually on each February 15 and August 15 thereafter, while any of the Bonds remain Outstanding.

F. The term *Order* shall mean this order adopted by the Governing Body on the date hereof.

G. The term *Outstanding* shall mean, as of the date of determination, all Bonds issued and delivered under this Order, except:

- (1) those Bonds canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Bonds for which payment has been duly provided by the Issuer in accordance with the provisions of Section 20 of this Order; and
- (3) those Bonds that have been mutilated, destroyed, lost, or stolen and replacement Bonds have been registered and delivered in lieu thereof as provided in Section 15 of this Order.

H. The term *Purchasers* shall mean the initial purchasers of the Bonds named in Section 16 of this Order.

I. The term *Stated Maturity* shall mean the annual principal payments of the Bonds payable on August 15 of each year as set forth in Section 2 of this Order.

SECTION 10: Interest and Sinking Fund - Investments. For the purpose of paying the principal of, premium, if any, and interest on the Bonds, at the earlier of redemption or Stated Maturity, there shall be and is hereby created a special Fund to be designated "SERIES 2023B (Non-PSF) PORT ARANSAS INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS INTEREST AND SINKING FUND" (the *Interest and Sinking Fund*), which Fund shall be kept and maintained at the Issuer's depository bank, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 18. Any Authorized Official of the Issuer is hereby authorized and directed to make withdrawals from the Interest and Sinking Fund sufficient to pay the principal of and interest on the Bonds as the same become due and payable, or the purchase price thereof, and shall cause to be transferred to the Paying Agent/Registrar from money on deposit in the Interest and Sinking Fund an amount sufficient to pay the purchase price or the amount of principal, premium, if any, and/or interest stated to mature on the Bonds, such transfer of funds to the Paying Agent/Registrar to be made in such manner as will cause immediately available funds to be deposited with the Paying Agent/Registrar on or before the fifteenth day next preceding each interest and principal payment date for the Bonds. To the extent that the Issuer receives an allocation from the Existing

Debt Allotment or the Instructional Facilities Allotment established pursuant to Chapter 46, as amended, Texas Education Code or credits a portion of its Basic Allotment established pursuant to Subchapter B of Chapter 42, as amended, Texas Education Code, in order to satisfy Section 45.0031, as amended, Texas Education Code, the Issuer will comply with the provisions of Section 46.009(d), as amended, Texas Education Code and the aforementioned Section 45.0031 concerning the deposit of these funds into the Interest and Sinking Fund.

Pending the transfer of funds to the Paying Agent/Registrar, money in any fund created and established pursuant to the provisions of this Order may, at the option of the Issuer, be placed in time deposits, certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, as amended, Chapter 2256, Texas Government Code, secured (to the extent not insured by the Federal Deposit Insurance Corporation) by obligations of the type hereinafter described, or be invested, as authorized by any law, including investments held in book-entry form, in securities including, but not limited to, direct obligations of the United States of America, obligations guaranteed or insured by the United States of America, which, in the opinion of the Attorney General of the United States, are backed by its full faith and credit or represent its general obligations, or invested in indirect obligations of the United States of America, including, but not limited to, evidences of indebtedness issued, insured or guaranteed by such governmental agencies as the Federal Land Banks, Federal Intermediate Credit Banks, Banks for Cooperatives, Federal Home Loan Banks, Government National Mortgage Association, Farmers Home Administration, Federal Home Loan Mortgage Association, Small Business Administration, or Federal Housing Association; provided that all such deposits and investments shall be made in such a manner that the money required to be expended from the Interest and Sinking Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any funds created pursuant to the provisions of this Order shall be credited to, and any losses debited to, such fund. All such investments shall be sold promptly when necessary to prevent any default in connection with the Bonds.

SECTION 11: Levy of Taxes - Surplus Bond Proceeds. To provide for the payment of Bonds, there is hereby levied, and there shall be annually assessed and collected in due time, form, and manner, a tax on all taxable property in the Issuer, without legal limit as to rate or amount, sufficient to pay the principal of, premium, if any, and interest on the Bonds as the same becomes due and payable; and such tax hereby levied on each one hundred dollars valuation of taxable property in the Issuer for the payment of the Bonds shall be at a rate from year to year as will be ample and sufficient to provide funds each year to pay the principal of, premium, if any, and interest on the Bonds, while any Bond remains Outstanding; full allowance being made for delinquencies and costs of collection. The taxes levied, assessed, and collected for and on account of the Bonds shall be accounted for separate and apart from all other funds of the Issuer and shall be deposited into the Interest and Sinking Fund; and such tax hereby levied, and to be assessed and collected annually, is hereby pledged to the payment of the Bonds.

Accrued interest on the Bonds received from the Purchasers, if any, and any surplus proceeds, including investment income therefrom, from the sale of the Bonds (which includes unspent investment income from Bond proceeds) not expended for authorized purposes shall be deposited into the Interest and Sinking Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Interest and Sinking Fund from ad valorem taxes.

SECTION 12: Security of Funds. All money on deposit in the Fund for which this Order makes provision (except any portion thereof as may be at any time properly invested as provided herein) shall be secured in the manner and to the fullest extent required by the laws of Texas for the security of public funds, and money on deposit in such Fund shall be used only for the purposes permitted by this Order.

SECTION 13: Notices to Holders-Waiver. Wherever this Order provides for notice to Holders of any event, such notice shall be sufficiently given (unless otherwise herein expressly provided) if in writing and sent by United States mail, first-class postage prepaid, to the address of each Holder as it appears in the Security Register.

In any case where notice to Holders is given by mail, neither the failure to mail such notice to any particular Holders, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Holders. Where this Order provides for notice in any manner, such notice may be waived in writing by the Holder entitled to receive such notice, either before or after the event with respect to which such notice is given, and such waiver shall be the equivalent of such notice. Waivers of notice by Holders shall be filed with the Paying Agent/Registrar, but such filing shall not be a condition precedent to the validity of any action taken in reliance upon such waiver.

SECTION 14: Cancellation. All Bonds surrendered for payment, redemption, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the Issuer, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The Issuer may at any time deliver to the Paying Agent/Registrar for cancellation any Bonds previously certified or registered and delivered which the Issuer may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Bonds held by the Paying Agent/Registrar shall be destroyed as directed by the Issuer.

SECTION 15: Mutilated - Destroyed - Lost and Stolen Bonds. If (1) any mutilated Bond is surrendered to the Paying Agent/Registrar, or the Issuer and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Bond, and (2) there is delivered to the Issuer and the Paying Agent/Registrar such security or indemnity as may be required to save each of them harmless, then, in the absence of notice to the Issuer or the Paying Agent/Registrar that such Bond has been acquired by a bona fide purchaser, the Issuer shall execute and, upon its request, the Paying Agent/Registrar shall register and deliver, in exchange for or in lieu of any such mutilated, destroyed, lost, or stolen Bond, a new Bond of the same Stated Maturity, interest rate, and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

In case any such mutilated, destroyed, lost, or stolen Bond has become or is about to become due and payable, the Issuer in its discretion may, instead of issuing a new Bond, pay such Bond.

Upon the issuance of any new Bond, or payment in lieu thereof, under this Section, the Issuer may require payment by the Holder of a sum sufficient to cover any tax or other governmental charge imposed in relation thereto and any other expenses or charges (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

Every new Bond issued pursuant to this Section in lieu of any mutilated, destroyed, lost, or stolen Bond shall constitute a replacement of the prior obligation of the Issuer, whether or not the mutilated, destroyed, lost, or stolen Bond shall be at any time enforceable by anyone, and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Bonds.

The provisions of this Section are exclusive and shall preclude (to the extent lawful) all other rights and remedies with respect to the replacement and payment of mutilated, destroyed, lost or stolen Bonds.

SECTION 16: Sale of Bonds at a Negotiated Sale – Authorization of Purchase Contract – Official Statement Approval – Use of Proceeds. The Bonds authorized by this Order are hereby sold by the District to Piper Sandler & Co., as the authorized representative of a group of underwriters at a negotiated sale (the *Purchasers*, having all the rights, benefits, and obligations of a Holder), in accordance with the provisions of a Purchase Contract (the *Purchase Contract*), dated August 9, 2023, attached hereto as Exhibit B and incorporated herein by reference as a part of this Order for all purposes. The pricing and terms of the sale of the Bonds are hereby found and determined to be the most advantageous reasonably obtainable by the Issuer. The Initial Bond shall be registered in the name of Piper Sandler & Co. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the Issuer and as the act and deed of this Governing Body, and in regard to the approval and execution of the Purchase Contract, the Governing Body hereby finds, determines and declares that the representations, warranties, and agreements of the Issuer contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the Issuer. Delivery of the Bonds to the Purchasers shall occur as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of the Purchase Contract.

Furthermore, the District hereby ratifies, confirms, and approves in all respects (i) the Issuer's prior determination that the Preliminary Official Statement was, as of its date, "deemed final" in accordance with the Rule (hereinafter defined) and (ii) the use and distribution of the Preliminary Official Statement by the Purchasers in connection with the public offering and sale of the Bonds. The final Official Statement, being a modification and amendment of the Preliminary Official Statement to reflect the terms of sale (together with such changes approved by any Authorized Official), shall be and is hereby in all respects approved and the Purchasers are hereby authorized to use and distribute the final Official Statement, dated August 9, 2023, in the reoffering, sale and delivery of the Bonds to the public. The President and the Secretary of the Governing Body are further authorized and directed to manually, facsimile, or electronically execute and deliver for and on behalf of the Issuer copies of the Official Statement in final form as may be required by the Purchasers, and such final Official Statement in the form and content manually, facsimile, or electronically executed by said officials shall be deemed to be approved by the Governing Body and constitute the Official Statement authorized for distribution and use by the Purchasers. The proper officials of the Issuer are hereby authorized to execute and deliver a certificate pertaining to such Official Statement as prescribed therein, dated as of the date of payment for and delivery of the Bonds.

Proceeds from the sale of the Bonds shall be applied as follows:

A. The District received a net reoffering premium from the sale of the Bonds of \$_____, which is hereby allocated by the District in the following manner: (1) \$_____ to pay the Purchasers' compensation; (2) \$_____ shall be used to pay certain costs of issuance; (3) \$_____, shall be deposited into the special construction account or accounts created for the projects to be constructed with the Bond proceeds, and (4) \$_____ (which is the rounding amount) shall be deposited into the Interest and Sinking Fund; and

B. The balance of the proceeds derived from the sale of the Bonds (including the portion of the net reoffering premium in the amount of \$_____ as described in paragraph A above and principal amount of \$_____ derived from the sale of the Bonds) (after paying other costs of issuance and the other deposits referred to in Paragraph A above), shall be deposited into the special construction account or accounts created for the projects to be constructed with the Bond proceeds. This special construction account shall be established and maintained at the Issuer's depository bank and shall be invested in accordance with the provisions of Section 10 of this Order. Interest earned on the proceeds of the Bonds pending completion of the projects financed with such proceeds shall be accounted for, maintained, deposited, and expended as permitted by the provisions of Chapter 1201, as amended, Texas Government Code, or as required by any other applicable law. Thereafter, such amounts shall be expended in accordance with Section 11.

SECTION 17: Covenants to Maintain Tax-Exempt Status.

A. Covenants. The Issuer covenants to take any action necessary to assure, or refrain from any action which would adversely affect, the treatment of the Bonds as obligations described in section 103 of the Internal Revenue Code of 1986, as amended (the *Code*), the interest on which is not includable in the "gross income" of the holder for purposes of federal income taxation. In furtherance thereof, the Issuer covenants as follows:

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

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

(3) to take any action to assure that no amount which is greater than the lesser of \$5,000,000, or 5 percent of the proceeds of the Bonds (less amounts deposited into a

reserve fund, if any) is directly or indirectly used to finance loans to persons, other than state or local governmental units, in contravention of section 141(c) of the Code;

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

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

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

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

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

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

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

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

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

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

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

D. Allocation Of, and Limitation On, Expenditures for the Project. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the purposes described in Section 1 of this Order (the *Project*) on its books and records in accordance with the requirements of the Internal Revenue Code. The Issuer recognizes that in order for the proceeds to be considered used for the reimbursement of costs, the proceeds must be allocated to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Project is completed; but in no event later than three years after the date on which the original expenditure is paid. The foregoing notwithstanding, the Issuer recognizes that in order for proceeds to be expended under the Internal Revenue Code, the sale proceeds or investment earnings must be expended no more than 60 days after the earlier of (1) the fifth anniversary of the delivery of the Bonds, or (2) the date the Bonds are retired. The Issuer agrees to obtain the advice of nationally-recognized bond counsel if such expenditure fails to comply with the foregoing to assure that such expenditure will not adversely affect the tax-exempt status of the Bonds. For purposes hereof, the issuer shall not be obligated to comply with this covenant if it obtains an opinion that such failure to comply will not adversely affect the excludability for federal income tax purposes from gross income of the interest.

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

F. Written Procedures. Unless superseded by another action of the Issuer, to ensure compliance with the covenants contained herein regarding private business use, remedial actions, arbitrage and rebate, the Governing Body hereby adopts and establishes the instructions attached hereto as Exhibit D, as the Issuer's written procedures.

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

SECTION 18: Control and Custody of Bonds. The President of the Governing Body shall be and is hereby authorized to take and have charge of all necessary orders and records pending investigation by the Attorney General of the State of Texas, including the printing and supply of definitive Bonds, and shall take and have charge and control of the Initial Bond pending approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts, and the delivery thereof to the Purchasers.

Furthermore, each Authorized Official is hereby authorized and directed to furnish and execute such documents relating to the Issuer and its financial affairs as may be necessary for the issuance of the Bonds, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the Issuer's Financial Advisor, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Bond to the Purchasers and the initial exchange thereof for definitive Bonds.

SECTION 19: Satisfaction of Obligation of Issuer. If the Issuer shall pay or cause to be paid, or there shall otherwise be paid to the Holders, the principal of, premium, if any, and interest on the Bonds, at the times and in the manner stipulated in this Order, then the pledge of taxes levied under this Order and all covenants, agreements, and other obligations of the Issuer to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Bonds, or any principal amounts thereof, shall be deemed to have been paid within the meaning and with the effect expressed above in this Section when (i) money sufficient to pay in full such Bonds or the principal amounts thereof at Stated Maturity, or the redemption date therefor, together with all interest due thereon, shall have been irrevocably deposited with and held in trust by the Paying Agent/Registrar, or an authorized escrow agent, and/or (ii) Government Securities shall have been irrevocably deposited in trust with the Paying Agent/Registrar, or an authorized escrow agent, which Government Securities will mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money, together with any money deposited therewith, if any, to pay when due the principal of and interest on such Bonds, or the principal amounts thereof, on and prior to the Stated Maturity thereof or (if notice of redemption has been duly given or waived or if irrevocable arrangements therefor acceptable to the Paying Agent/Registrar have been made) the redemption date thereof for the Bonds. In the event of a defeasance of the Bonds, the Issuer shall deliver a certificate from its financial advisor, an independent accounting firm, the Paying Agent/Registrar, or another qualified third party concerning the deposit of cash and/or Government Securities to pay, when due, the principal of, redemption premium (if any), and interest due on any defeased Bonds. As and to the extent applicable, if at all, the Issuer covenants that no deposit of money or Government Securities will be made under this Section and no use made of any such deposit which would cause the Bonds to be treated as arbitrage bonds within the meaning of section 148 of the Code.

Any money so deposited with the Paying Agent/Registrar, and all income from Government Securities held in trust by the Paying Agent/Registrar, or an authorized escrow agent, pursuant to this Section which is not required for the payment of the Bonds, or any principal amounts thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the Issuer or deposited as directed by the Issuer. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Bonds and remaining unclaimed for a period of three (3) years after the Stated Maturity or applicable redemption date of the Bonds such money was deposited and is held in trust to pay shall, upon the request of the Issuer, be remitted to the Issuer against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem defeased Bonds that is made in conjunction with the payment arrangements specified in (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the Issuer expressly reserves the right to call the defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Bonds immediately following the defeasance; (3) directs that notice of the reservation be included in any redemption notices that it authorizes; and (4) at the time of the redemption, satisfies the conditions of (i) or (ii) above with respect to such defeased debt as though it was being defeased at the time of the exercise of the option to redeem the defeased Bonds, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Bonds.

SECTION 20: Order a Contract - Amendments - Outstanding Bonds. The Issuer acknowledges that the covenants and obligations of the Issuer herein contained are a material inducement to the purchase of the Bonds. This Order shall constitute a contract with the Holders from time to time, shall be binding on the Issuer, and shall not be amended or repealed by the Issuer so long as any Bond remains Outstanding except as permitted in this Section. The Issuer, may, without the consent of or notice to any Holders, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holders, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the Issuer may, with the written consent of Holders holding a majority in aggregate principal amount of the Bonds then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Order; provided that, without the consent of all Holders of Outstanding Bonds, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of, premium, if any, and interest on the Bonds, reduce the principal amount thereof, the redemption price therefor, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, premium, if any, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required for consent to any such amendment, addition, or rescission.

SECTION 21: Facilities Allotment Revenues. In connection with the issuance of the Bonds, the Issuer may make application to the Texas Education Agency for financial assistance from the State of Texas (the *State*) in accordance with the instructional facilities allotment funding program established pursuant to Chapter 46, as amended, Texas Education Code (the *Program*). In each fiscal year in which the Issuer received funding under the existing debt allotment program, the Program, or any successor State funding programs which provide a debt service subsidy for

the Bonds (such funds being collectively referred to herein as Debt Subsidy Funds), the Issuer shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Interest and Sinking Fund created pursuant to Section 10. Notwithstanding the requirements of Section 11, if the Debt Subsidy Funds are actually on deposit in the Interest and Sinking Fund in advance of the time when ad valorem taxes are scheduled to be levied for any year, then the amount of taxes which otherwise would have been required to be levied pursuant to Section 11 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Interest and Sinking Fund.

SECTION 22: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the Issuer covenants and agrees particularly that in the event the Issuer (a) defaults in the payments to be made to the Interest and Sinking Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holders of any of the Bonds shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Governing Body and other officers of the Issuer to observe and perform any covenant, condition, or obligation prescribed in this Order.

No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or acquiescence therein, and every such right and power may be exercised from time to time and as often as may be deemed expedient. The specific remedies herein provided shall be cumulative of all other existing remedies and the specification of such remedies shall not be deemed to be exclusive.

SECTION 23: Printed Opinion. The Purchasers' obligation to accept delivery of the Bonds is subject to its being furnished a final opinion of McCall, Parkhurst & Horton L.L.P., San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Bonds, the opinion to be dated and delivered as of the date of initial delivery and payment for such Bonds. Printing of a true and correct copy of the opinion on the reverse side of each of the Bonds, with an appropriate certificate pertaining thereto executed by the facsimile signature of the President or Secretary of the Governing Body, is hereby approved and authorized.

SECTION 24: CUSIP Numbers. CUSIP numbers may be printed on the Bonds. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Bonds shall be of no significance or effect as regards the legality thereof and neither the Issuer nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed on the Bonds.

SECTION 25: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 26: Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the Issuer, the Paying Agent/Registrar, Bond Counsel, Financial Advisors, Purchasers, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Order or any provision hereof, this Order and all its provisions being intended to be and being for the sole and exclusive benefit of the Issuer, the Paying Agent/Registrar, Bond Counsel, Financial Advisors, the Purchasers, and the Holders.

SECTION 27: Inconsistent Provisions. All orders, or parts thereof, which are in conflict or inconsistent with any provision of this Order are hereby repealed to the extent of such conflict, and the provisions of this Order shall be and remain controlling as to the matters herein provided.

SECTION 28: Construction of Terms. 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.

SECTION 29: Governing Law. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 30: Severability. If any provision of this Order or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other persons or circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Order would have been enacted without such invalid provision.

SECTION 31: Public Meeting. It is officially 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, as amended, Texas Government Code.

SECTION 32: Authorization of Paying Agent/Registrar Agreement. The Governing Body hereby finds and determines that it is in the best interest of the Issuer to authorize the execution of a Paying Agent/Registrar Agreement pertaining to the registration, transferability, exchange, and payment of the Bonds. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated herein by reference as fully as if recopied in its entirety in this Order.

SECTION 33: Incorporation of Preamble Recitals. The recitals contained in the preamble to this Order are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 34: Unavailability of Authorized Publication. If, because of the temporary or permanent suspension of any newspaper, journal, or other publication, or, for any reason, publication of notice cannot be made meeting any requirements herein established, any notice required to be published by the provisions of this Order shall be given in such other manner and at such time or times as in the judgment of the Issuer or of the Paying Agent/Registrar shall most effectively approximate such required publication and the giving of such notice in such manner shall for all purposes of this Order be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: No Recourse Against Issuer Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Bond or for any claim based thereon or on this Order against any official of the Issuer or any person executing any Bond.

SECTION 36: Continuing Disclosure Undertaking.

A. Definitions.

As used in this Section, the following terms have the meanings ascribed to such terms below:

EMMA means the MSRB's Electronic Municipal Market Access system, accessible by the general public, without charge, on the internet through the uniform resource locator (URL) <http://www.emma.msrb.org>.

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

MSRB means the Municipal Securities Rulemaking Board.

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

SEC means the United States Securities and Exchange Commission.

Undertaking means the District's continuing disclosure undertaking, described in Paragraphs B through E below, hereunder accepted and entered into by the District for the purpose of compliance with the Rule.

B. Annual Reports.

The Issuer shall file annually with the MSRB, (1) within six months after the end of each fiscal year ending in or after 2023, financial information and operating data with respect to the Issuer of the general type included in the final Official Statement authorized by Section 16 of this Order, being the information described in Exhibit C hereto, and (2) within twelve months after the end of each fiscal year ending in or after 2023, financial statements of the Issuer. Any financial statements so to be provided shall be (i) prepared in accordance with the accounting principles described in Exhibit C hereto, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (ii) audited, if the Issuer commissions an audit of such financial statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall file unaudited financial statements within such period and audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such financial statements becomes available. Under current Texas law, including, but not limited to, Chapter 44, as amended, Texas Education Code, the Issuer must keep its fiscal records in accordance with generally accepted accounting principles, must have its financial accounts and records audited by a certified or permitted public accountant and must file each audit report with the Texas Education Agency within 150 days after the close of the Issuer's fiscal year. Copies of each audit report must also be filed in the office of the Issuer and with the President or Secretary,

Board of Trustees. The Issuer's fiscal records and audit reports are available for public inspection during the regular business hours of the District. Additionally, upon the filing of these financial statements and the annual audit, these documents are subject to the Texas Open Records Act, as amended, Texas Government Code, Chapter 552.

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

C. Notice of Certain Events.

The Issuer shall file notice of any of the following events with respect to the Bonds to the MSRB in a timely manner and not more than 10 business days after occurrence of the event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of holders of the Bonds, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership, or similar event of the Issuer, which shall occur as described below;
- (13) The consummation of a merger, consolidation, or acquisition involving the Issuer or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional paying agent/registrars or the change of name of a paying agent/registrars, if material;
- (15) Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which affects security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the Issuer, any of which reflect financial difficulties.

For these purposes, (a) any event described in the immediately preceding paragraph (12) is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Issuer in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Issuer, and (b) the District intends the words used in the immediately preceding paragraphs (15) and (16) and the definition of Financial Obligation in this Section have the same meanings as when they are used in the Rule, as evidenced by SEC Release No. 34-83885, dated August 20, 2018.

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

D. Limitations, Disclaimers, and Amendments.

The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an “obligated person” with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit that causes the Bonds to be no longer Outstanding.

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

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

No default by the Issuer in observing or performing its obligations under this Section shall constitute a breach of or default under this Order for purposes of any other provision of this Order.

Nothing in this Section is intended or shall act to disclaim, waive, or otherwise limit the duties of the Issuer under federal and state securities laws.

The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (2) either (a) the Holders of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the Outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interests of the Holders and beneficial owners of the Bonds. The Issuer may also repeal or amend the provisions of this Section if the SEC amends or repeals the applicable provisions of the Rule or any court of final jurisdiction enters judgment that such provisions of the Rule are invalid, and the Issuer also may amend the provisions of this Section in its discretion in any other manner or circumstance, but in either case only if and to the extent that the provisions of this sentence would not have prevented an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds, giving effect to (a) such provisions as so amended and (b) any amendments or interpretations of the Rule. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection B of this Section an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information or operating data so provided.

E. Information Format- Incorporation by Reference.

The Issuer information required under this Section shall be filed with the MSRB through EMMA in such format and accompanied by such identifying information as may be specified from time to time thereby. Under the current rules of the MSRB, continuing disclosure documents submitted to EMMA must be in word-searchable portable document format (PDF) files that permit the document to be saved, viewed, printed, and retransmitted by electronic means and the series of obligations to which such continuing disclosure documents relate must be identified by CUSIP number or numbers.

F. General Policies and Procedures Concerning Compliance with the Rule.

Because the issuance of the Bonds is subject to the provisions of the Rule and because the potential “underwriters” in a negotiated sale of the Bonds or the initial purchasers in a competitive sale of the Bonds may be subject to MSRB rules and regulations with respect to such sale (including certain due diligence and suitability requirements, among others), the Issuer hereby adopts the General Policies and Procedures Concerning Compliance with the Rule (the *Policies and Procedures*), attached hereto as Exhibit E, with which the Issuer shall follow to assure compliance with the Undertaking. The Issuer has developed these Policies and Procedures for the purpose of meeting its requirements of the Undertaking and, in connection therewith, has sought the guidance from its internal staff charged with administering the Issuer’s financial affairs, its municipal or financial advisors, its legal counsel (including its Bond Counsel), and its independent accountants (to the extent determined to be necessary or advisable). The Policies and Procedures can be amended at the sole discretion of the Issuer and any such amendment will not be deemed to be an amendment to the Undertaking. Each Authorized Official is hereby authorized to amend the Policies and Procedures as a result of a change in law, a future issuance of indebtedness subject to the Rule, or another purpose determined by the Authorized Official to be necessary or desirable for or with respect to future compliance with the Undertaking.

Financial information and operating data to be provided pursuant to this Section may be set forth in full in one or more documents or may be included by specific reference to any document (including an official statement or other offering document) available to the public through EMMA or filed with the SEC.

SECTION 37: Book-Entry Only System.

The Bonds shall initially be registered so as to participate in a securities depository system (the *DTC System*) with the Depository Trust Company, New York, New York or any successor entity thereto (*DTC*), as set forth herein. Each Stated Maturity of the Bonds shall be issued (following cancellation of the Initial Bond described in Section 7) in the form of a separate single definitive Bond. Upon issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Bonds shall be registered in the name of Cede & Co., as the nominee of DTC. The Issuer and the Paying Agent/Registrar are authorized to execute, deliver, and take the actions set forth in such letters to or agreements with DTC as shall be necessary to effectuate the DTC System, including the Letter of Representations attached hereto as Exhibit F (the *Representation Letter*).

With respect to the Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Bonds from time to time as securities depository (a *Depository Participant*) or to any person on behalf of whom such a Depository Participant holds an interest in the Bonds (an *Indirect Participant*). Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Bonds, as shown on the Security Register, of any notice with respect to the Bonds, including any notice of

redemption, or (iii) the delivery to any Depository Participant or any Indirect Participant or any other Person, other than a Holder of a Bond, of any amount with respect to principal of, premium, if any, or interest on the Bonds. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a bond certificate evidencing the obligation of the Issuer to make payments of principal, premium, if any, and interest on the Bonds pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Order shall refer to such new nominee of DTC.

In the event that (a) the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (b) the Representation Letter shall be terminated for any reason, or (c) DTC or the Issuer determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall notify the Paying Agent/Registrar, DTC, and DTC Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Bonds shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the Issuer may determine that the Bonds shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the Issuer, or such depository's agent or designee, and if the Issuer and the Paying Agent/Registrar do not select such alternate securities depository system then the Bonds may be registered in whatever name or names the Holders of Bonds transferring or exchanging the Bonds shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 38: Further Procedures. The officers and employees of the Issuer 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 Issuer 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 the Bonds, the Paying Agent/Registrar Agreement, and the Purchase Contract. In addition, prior to the initial delivery of the Bonds, each 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 (1) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (2) obtain a rating from any nationally recognized rating service, or (3) obtain the approval of the Bonds by the Texas Attorney General's office. Bond Counsel is further authorized to institute any bond validation suit under Chapter 1205, as amended, Texas Government Code (or any successor statute thereto) related to the Bonds while the Bonds are outstanding and unpaid. In case any officer of the Issuer 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 39: Reserved.

SECTION 40: Issuer'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 Issuer hereby consents to and authorizes any Authorized Official, Bond Counsel to the Issuer, and/or Financial Advisor to the Issuer to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Bonds; provided, however, that no such information and documentation shall be provided prior to the Closing Date. This consent and authorization relates only to information and documentation that is a part of the public record concerning the issuance of the Bonds.

SECTION 41: Effective Date. This Order shall be in force and effect from and after its passage on the date shown below.

PASSED AND ADOPTED, this 9th day of August, 2023.

PORT ARANSAS INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

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INDEX TO EXHIBITS

- Exhibit A..... Paying Agent/Registrar Agreement
- Exhibit B..... Purchase Contract
- Exhibit C..... Description of Annual Financial Information
- Exhibit D..... Written Procedures Relating to Continuing Compliance with Federal
Tax Covenants
- Exhibit E..... General Policies and Procedures Concerning Compliance with the Rule
- Exhibit F DTC Letter of Representations

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. __

EXHIBIT B

Purchase Contract

See Tab No. __

EXHIBIT C

Description of Annual Financial Information

The following information is referred to in Section 37 of this Order.

Annual Financial Statements and Operating Data

The financial information and operating data with respect to the District to be provided annually in accordance with such Section are as specified (and included in the Appendix or under the headings of the Official Statement referred to) below:

- (1) Within six months after the end of each fiscal year, the quantitative financial information and operating data of the District of the general type included in the Official Statement under Table 1 and in Tables 1 through 8 in Appendix A.
- (2) Within twelve months after the end of each fiscal year, the District's audited financial statements for the most recently concluded fiscal year or to the extent these audited financial statements are not available, the unaudited financial statements of the District appended to the Official Statement as Appendix E, but for the most recently concluded fiscal year.

Accounting Principles

The accounting principles referred to in such Section are generally accepted accounting principles for governmental units as prescribed by the Government Accounting Standards Board from time to time.

EXHIBIT D

WRITTEN PROCEDURES RELATING TO CONTINUING COMPLIANCE WITH FEDERAL TAX COVENANTS

A. Arbitrage. With respect to the investment and expenditure of the proceeds of the Bonds, the District's business manager (the *Responsible Person*), which currently is the District's Business Manager, will:

- (i) instruct the appropriate person or persons that the construction, renovation or acquisition of the facilities must proceed with due diligence and that binding contracts for the expenditure of at least 5% of the proceeds of the Bonds will be entered into within six (6) months of the date of delivery of the Bonds (the *Issue Date*);
- (ii) monitor that at least 85% of the proceeds of the Bonds to be used for the construction, renovation or acquisition of any facilities are expended within three (3) years of the Issue Date;
- (iii) restrict the yield of the investments to the yield on the Bonds after three (3) years of the Issue Date;
- (iv) monitor all amounts deposited into a sinking fund or funds (e.g., the Interest and Sinking Fund), to assure that the maximum amount invested at a yield higher than the yield on the Bonds does not exceed an amount equal to the debt service on the Bonds in the succeeding 12 month period plus a carryover amount equal to one-twelfth of the principal and interest payable on the Bonds for the immediately preceding 12-month period;
- (v) ensure that no more than 50% of the proceeds of the Bonds are invested in an investment with a guaranteed yield for 4 years or more;
- (vi) maintain any official action of the District (such as a reimbursement resolution) stating its intent to reimburse with the proceeds of the Bonds any amount expended prior to the Issue Date for the acquisition, renovation or construction of the facilities;
- (vii) ensure that the applicable information return (e.g., IRS Form 8038-G, 8038-GC, or any successor forms) is timely filed with the IRS; and
- (viii) assure that, unless excepted from rebate and yield restriction under section 148(f) of the Code, excess investment earnings are computed and paid to the U.S. government at such time and in such manner as directed by the IRS (A) at least every 5 years after the Issue Date and (B) within 30 days after the date the Bonds are retired.

B. Private Business Use. With respect to the use of the facilities financed or refinanced with the proceeds of the Bonds the Responsible Person will:

- (i) monitor the date on which the facilities are substantially complete and available to be used for the purpose intended;
- (ii) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has any contractual right (such as a lease, purchase, management or other service agreement) with respect to any portion of the facilities;
- (iii) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the output of the facilities (e.g., water, gas, electricity);
- (iv) monitor whether, at any time the Bonds are outstanding, any person, other than the District, the employees of the District, the agents of the District or members of the general public has a right to use the facilities to conduct or to direct the conduct of research;
- (v) determine whether, at any time the Bonds are outstanding, any person, other than the District, has a naming right for the facilities or any other contractual right granting an intangible benefit;
- (vi) determine whether, at any time the Bonds are outstanding, the facilities are sold or otherwise disposed of; and
- (vii) take such action as is necessary to remediate any failure to maintain compliance with the covenants contained in the Order related to the public use of the facilities.

C. Record Retention. The Responsible Person will maintain or cause to be maintained all records relating to the investment and expenditure of the proceeds of the Bonds and the use of the facilities financed or refinanced thereby for a period ending three (3) years after the complete extinguishment of the Bonds. If any portion of the Bonds is refunded with the proceeds of another series of tax-exempt obligations, such records shall be maintained until the three (3) years after the refunding obligations are completely extinguished. Such records can be maintained in paper or electronic format.

D. Responsible Person. The Responsible Person shall receive appropriate training regarding the District's accounting system, contract intake system, facilities management and other systems necessary to track the investment and expenditure of the proceeds and the use of the facilities financed or refinanced with the proceeds of the Bonds. The foregoing notwithstanding, the Responsible Person is authorized and instructed to retain such experienced advisors and agents as may be necessary to carry out the purposes of these instructions.

EXHIBIT E

General Policies and Procedures Concerning Compliance with the Rule

I. Capitalized terms used in this Exhibit have the meanings ascribed thereto in Section 37 of the Order. “Bonds” refers to the Bonds that are the subject of the Order to which this Exhibit is attached.

II. As a capital markets participant, the District is aware of its continuing disclosure requirements and obligations existing under the Rule prior to February 27, 2019, the effective date of the most recent amendment to the Rule (the *Effective Date*), and has implemented and maintained internal policies, processes, and procedures to ensure compliance therewith. Adherence to these internal policies, processes, and procedures has enabled underwriters in non-exempt negotiated sales and initial purchasers in non-exempt competitive sales to comply with their obligations arising under various MSRB rules and regulations concerning due diligence and findings of suitability, among other matters, regarding the District’s compliance with the Rule.

III. The District is aware that the Rule was amended as of the Effective Date (the *Rule Amendment*) and has accommodated this amendment by adding subparagraphs (15) and (16) to Section 37 of the Order, which provisions are a part of the Undertaking.

IV. The District is aware that “participating underwriters” (as such term is defined in the Rule) of the Bonds must make inquiry and reasonably believe that the District is likely to comply with the Undertaking and that the standards for determining compliance have increased over time as a result of, among others, the United States Securities and Exchange Commission’s Municipalities Continuing Disclosure Cooperation Initiative and regulatory commentary relating to the effectiveness of the Rule Amendment.

V. The District now establishes the following general policies and procedures (the *Policies and Procedures*) for satisfying its obligations pursuant to the Undertaking, which policies and procedures have been developed based on the District’s informal policies, procedures, and processes utilized prior to the Effective Date for compliance with the District’s obligations under the Rule, the advice from and discussions with the District’s internal senior staff (including staff charged with administering the District’s financial affairs), its municipal or financial advisors, its legal counsel (including Bond Counsel), and its independent accountants, to the extent determined to be necessary or advisable (collectively, the *Compliance Team*):

1. the Superintendent of the District or the Business Manager (the *Compliance Officer*) shall be responsible for satisfying the District’s obligations pursuant to the Undertaking through adherence to these Policies and Procedures;
2. the Compliance Officer shall establish reminder or “tickler” systems to identify and timely report to the MSRB, in the format thereby prescribed from time to time, the District’s information of the type described in Section 37 of the Order;
3. the Compliance Officer shall promptly determine the occurrence of any of the events described in Section 37 of the Order;

4. the Compliance Officer shall work with external consultants of the District, as and to the extent necessary, to timely prepare and file with the MSRB the annual information of the District and notice of the occurrence of any of the events referenced in Clauses 2 and 3 above, respectively, the foregoing being required to satisfy the terms of the Undertaking;
5. the Compliance Officer shall establish a system for identifying and monitoring any Financial Obligations, whether now existing or hereafter entered into by the District, and (upon identification) determining if such Financial Obligation has the potential to materially impact the security or source of repayment of the Bonds;
6. upon identification of any Financial Obligation meeting the materiality standard identified in Clause 5 above, the Compliance Officer shall establish a process for identifying and monitoring any District agreement to covenants, events of default, remedies, priority rights, or other similar terms under such Financial Obligation;
7. the Compliance Officer shall establish a process for identifying the occurrence of any default, event of acceleration, termination event, modification of terms, or other similar events under the terms of any Financial Obligation, the occurrence of any of which reflect financial difficulties of the District; and
8. the Compliance Officer shall annually review these Policies and Procedures with the remainder of the Compliance Team, make any modifications on an internal document retained by the Compliance Officer and available to any “participating underwriter” (as defined in the Rule), if requested, and on the basis of this annual review (to the extent determined to be necessary or desirable), seek additional training for herself or himself, as well as other members of the District’s internal staff identified by the Compliance Officer to assist with the District’s satisfaction of the terms and provisions of the Undertaking.

EXHIBIT F

DTC Letter of Representations

See Tab No. __

CLOSED MEETING

ACTION ITEM:

The Board will Adjourn into Executive Session in Accordance with the Texas Open Meetings Act, Texas Government Code 551.071 thru 551.083 to Consider the Following:

- A. Personnel: Review and Discuss Superintendent's Salary

DISCUSSION AND/OR ACTION ITEM

ACTION ITEM:

The board will reconvene to open session in accordance with the Texas Open Meeting Act, Texas Government Code 551.071 thru 551.083.

- A. Consider/Take Possible Action to Adjust Superintendent's Salary.

ADJOURNMENT

Action Item

There being no further business, Board President will adjourn the meeting.