



Lexington Independent School District

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Lexington, Texas 78947
(979) 773 – 2254
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www.lexingtonisd.net

Agenda - Special Meeting Board of Trustees – Lexington ISD November 20, 2019 - 6:00 PM Official Agenda

A Special Meeting of the Board of Trustees of the Lexington Independent School District will be held on November 20, 2019, beginning at 6:00 PM in the Administration Building of the Lexington Independent School District at Lexington, Texas.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice.

1. Call to Order
2. Public Comment
Any interested citizen may use not more than three minutes to present any subject that may affect the school district.
3. WRITTEN NOTICE FOR RESOLUTION 3
4. CONSIDERATION AND APPROVAL OF A RESOLUTION APPROVING AN ENGAGEMENT AGREEMENT FOR PUBLIC FINANCE COUNSEL LEGAL SERVICES WITH NORTON ROSE FULBRIGHT US LLP; AND OTHER MATTERS IN CONNECTION THEREWITH 5
5. CONSIDERATION AND APPROVAL OF A RESOLUTION RELATING TO ESTABLISHING THE LEXINGTON INDEPENDENT SCHOOL DISTRICT’S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR LAWFUL EXPENDITURE OF FUNDS RELATING TO CONSTRUCTING VARIOUS SCHOOL DISTRICT IMPROVEMENTS FROM THE PROCEEDS OF ONE OR MORE SERIES OBLIGATIONS TO BE ISSUED BY THE DISTRICT FOR AUTHORIZED PURPOSES; AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE 23
6. CONSIDERATION AND APPROVAL OF A RESOLUTION BY THE BOARD OF TRUSTEES OF THE LEXINGTON INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF OBLIGATIONS DESIGNATED AS “LEXINGTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTES, SERIES 2019”; MAKING PROVISION FOR THE PAYMENT 27

THEREOF BY THE ANNUAL LEVY OF THE DISTRICT'S MAINTENANCE AND OPERATIONS AD VALOREM TAXES; AND PROVIDING AN EFFECTIVE DATE

7. CONSIDERATION AND APPROVAL OF AN ORDER BY THE BOARD OF TRUSTEES OF THE LEXINGTON INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF OBLIGATIONS DESIGNATED AS "LEXINGTON INDEPENDENT SCHOOL DISTRICT TIME WARRANTS, SERIES 2019"; MAKING PROVISION FOR THE PAYMENT THEREOF BY THE ANNUAL LEVY OF THE DISTRICT'S SURPLUS MAINTENANCE AND OPERATIONS AD VALOREM TAXES; AND PROVIDING AN EFFECTIVE DATE 63

If during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the Board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Government Code, Chapter 551, Subchapters D and E or Government Code Section 418.183(f). Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting. [See BEC (LEGAL)]

This notice was posted in compliance with the Texas Open Meetings Act on Sunday November 17, 2019 6:00 pm.

For the Board of Trustees

EXHIBIT C

FINDINGS OF THE BOARD OF TRUSTEES OF THE LEXINGTON INDEPENDENT SCHOOL DISTRICT, RELATING TO THE RESOLUTION APPROVING AN ENGAGEMENT AGREEMENT FOR BOND COUNSEL LEGAL SERVICES WITH NORTON ROSE FULBRIGHT US LLP; AND OTHER MATTERS IN CONNECTION THEREWITH, TO BE CONSIDERED FOR ADOPTION BY THE DISTRICT ON NOVEMBER 21, 2019
20, 2019

1. The Board of Trustees of the District intends to engage Norton Rose Fulbright US LLP, as the most qualified candidate submitting a response to a request for proposals previously issued by the District, to provide the District with bond counsel and disclosure counsel legal services pertaining to the District's issuance of public securities on the public or private market, including advising the District on any "official statement" to potential investors pursuant to federal securities laws and issuing a legal opinion as to the foregoing;
2. Norton Rose Fulbright US LLP has consistently demonstrated its competence, qualifications, and experience as an industry leader in public finance matters through the provision of bond counsel and disclosure counsel legal services, the representation of municipal advisors, issuers, and other parties in United States Securities and Exchange Commission enforcement actions, the publication of disclosure policies and the representation of state agencies and political subdivisions within the State of Texas on public securities related issues and matters;
3. Accessing the public or private markets through the issuance of public securities and providing an "official statement" of the District to potential investors is governed by State and federal securities and federal tax laws and requires the advice of legal advisors that specialize in public finance matters that are well versed in public finance legal matters;
4. Engaging an attorney in private practice who specializes in public finance matters that is well versed in State and federal securities and federal tax laws pursuant to an hourly fee arrangement would likely result in higher fees to be paid by the District, and such fees incurred would be payable by the District by amounts on deposit in the District's General Fund, whether or not the public securities are actually issued;
5. Fees for legal services in public finance matters, including bond counsel and disclosure counsel legal services, have traditionally been paid pursuant to a contingent fee contract, where such fees become payable only upon the successful issuance of the public securities and solely from the proceeds of the public securities;
6. Entering into a contract for bond counsel legal services with Norton Rose Fulbright US LLP (a firm that specializes in public finance matters and is well versed in State and federal securities and federal tax laws) payment of which is contingent on the District's successful issuance of public securities and payable out of public securities proceeds provides the District a superior level of bond counsel and disclosure counsel legal

services and fee(s) payable under the contract are reasonable in the public finance market and would likely be less than if such services were conducted pursuant to an hourly rate contract with an attorney specializing in such public finance matters; and

7. For each of the reasons stated above, this selection of bond counsel and disclosure counsel legal services pursuant to a contingent fee contract is in the best interest of the residents of the District.

* * * *

November 21, 2019

Norton Rose Fulbright US LLP
Frost Tower
111 West Houston Street, Suite 1800
San Antonio, Texas 78205-3792
United States

Dr. Tonya Knowlton
Superintendent of Schools
Lexington Independent School District
8731 N. HWY 77
Lexington, Texas 78947

Clay Binford
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Re: Engagement Agreement for Bond Counsel Services to the Lexington Independent School District

Dear Dr. Knowlton:

This letter confirms that Norton Rose Fulbright US LLP will represent the Lexington Independent School District (the "District") as Bond Counsel in connection with its debt portfolio management, including its issuance of debt obligations ("Debt") and all matters that originate from that role (together, the "Matter"). Our acceptance of that representation (the "Representation") becomes effective upon the execution of the enclosed copy of this letter.

Terms of Engagement

This letter sets out the terms of our engagement in the Representation. Certain of those terms are included in the body of this letter, and additional terms are contained in the attached document, entitled *Additional Terms of Engagement*. That document is expressly incorporated into this letter, and it should be read carefully. The execution and return of the enclosed copy of this letter constitutes an unqualified agreement to all the terms set forth in this letter and in the attached *Additional Terms of Engagement*.

It is understood and agreed that our engagement is limited to the Representation. We are not being retained as general counsel, and our acceptance of this engagement does not imply any undertaking to provide legal services other than those set forth in this letter.

The Representation may be terminated by the District, with or without cause, upon delivery to us written notice of such termination (such notice to be delivered at least 30 days prior to the effective date of such termination).

Our Personnel Who Will Be Working on the Matter

Clay Binford, John Hall and Lauren Ferrero will be working on the Matter as lead attorneys, but will add to this team with others who are necessary to complete the applicable Representation with respect to a particular Matter. You may call, write, or e-mail any of us whenever you have any questions about the Representation. Other firm personnel, including paralegals and other

administrative staff, will participate in the Representation if and to the extent, in our judgment, their participation is necessary or appropriate.

Our Legal Fees and Other Charges

Our fees for legal services rendered shall generally be calculated based upon the type and par amount of an issuance of Debt, applied against the fee schedule attached hereto as Exhibit A, and payable from Debt proceeds at the time of such Debt's initial delivery. Fees paid in connection with the issuance of Debt shall also cover the costs of legal services usual and customary for bond counsels to provide in connection with the maintenance of a tax-exempt debt portfolio. Additional or special services, to include complex research, defense of audit, election contests, or debt-related litigation, shall be the subject of a separate fee arrangement, agreed upon by the District and me, prior to the commencement to the District's incurrence of any payment obligation with respect thereto.

In addition to our fees for rendering professional services, our statement will include other charges for expenses and services incurred incident to the performance of our legal services, such as transcript preparation, photocopying, delivery charges, travel expenses, overtime for secretaries and other nonlegal staff, Texas Attorney General filing fee (that we will pay on behalf of the District and seek reimbursement from Debt proceeds at the time of their initial delivery), specialized computer applications such as computerized legal research and filing fees.

Conflicts of Interest

Before accepting the Representation, we have undertaken reasonable and customary efforts to determine whether there are any potential conflicts of interest that would bar our firm from representing you in the Matter. Based on the information available to us, we are not aware of any potential disqualification. We reviewed that issue in accordance with the rules of professional responsibility adopted in Texas. We believe that those rules, rather than the rules of any other jurisdiction, are applicable to the Representation; and the execution and return of the enclosed copy of this letter by you represents an express agreement to the applicability of those rules.

You agree that we may represent current or future clients (including any parties adverse to you in this matter) in any other matter that is not substantially related to the Matter, even if their interests are directly adverse to you or your interests in that other. We agree however that we will not represent another client in a matter if we have obtained non-public proprietary or other confidential information from you that could be used by that other client to your material disadvantage in that matter.

Conclusion

This letter and the attached *Additional Terms of Engagement* constitute the entire terms of the engagement of Norton Rose Fulbright US LLP in the Representation. These written terms of engagement are not subject to any oral agreements or understandings, and they can be modified only by further written agreement signed both by you and Norton Rose Fulbright US LLP. Unless expressly stated in these terms of engagement, no obligation or undertaking shall be implied on the part of either you or Norton Rose Fulbright US LLP.

Dr. Tonya Knowlton
November 21, 2019
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Please carefully review this letter and the attached *Additional Terms of Engagement*. If there are any questions about these terms of engagement, or if these terms are inaccurate in any way, please let me know immediately. If both documents are acceptable, please sign and return the enclosed copy of this letter so that we may commence the Representation.

We are pleased to have the opportunity to be of service to the District with respect to this Matter. If you need any further information from us concerning this Matter, please do not hesitate to contact me.

Very truly yours,

Clay Binford

CSB/rlk

Enclosures

cc: Ms. Lauren Ferrero Firm)
Mr. John Hall (Firm)

The Lexington Independent School District Agrees to and Accepts this Letter and the Attached Terms of Engagement:

LEXINGTON INDEPENDENT SCHOOL DISTRICT

By: _____
Dr. Tonya Knowlton
Superintendent of Schools

Date: _____

NORTON ROSE FULBRIGHT US LLP

Additional Terms of Engagement

The purpose of this document is to set out additional terms of our agreement to provide the representation described in our engagement letter (the "Representation") concerning the Lexington Independent School District debt issuances (the "Matter"). Because these additional terms of engagement are a part of our agreement to provide legal services, the Lexington Independent School District (the "District") should review them carefully and should promptly communicate to us any questions concerning this document. We suggest that the District retain this statement of additional terms along with our engagement letter and any related documents.

The Scope of the Representation

As lawyers, we undertake to provide representation and advice on the legal matters for which we are engaged. It is important for our clients to have a clear understanding of the legal services that we have agreed to provide. Thus, if there are any questions about the scope of the Representation that we are to provide in the Matter, please raise those questions promptly, so that we may resolve them at the outset of the Representation.

Any expressions on our part concerning the outcome of the Representation, or any other legal matters, are based on our professional judgment and are not guarantees. Such expressions, even when described as opinions, are necessarily limited by our knowledge of the facts and are based on our views of the state of the law at the time they are expressed.

Upon accepting this engagement on the District's behalf, Norton Rose Fulbright US LLP agrees to do the following: (1) provide legal counsel in accordance with these terms of engagement and the related engagement letter, and in reliance upon information and guidance provided by the District; and (2) keep the District reasonably informed about the status and progress of the Representation.

To enable us to provide effective representation, the District agrees to do the following: (1) disclose to us, fully and accurately and on a timely basis, all facts and documents that are or might be material or that we may request, (2) keep us apprised on a timely basis of all developments relating to the Representation that are or might be material, (3) attend meetings, conferences, and other proceedings when it is reasonable to do so, and (4) otherwise cooperate fully with us.

Our firm has been engaged to provide legal services in connection with the Representation in the Matter, as specifically defined in our engagement letter. After completion of the Representation, changes may occur in the applicable laws or regulations that could affect the District's future rights and liabilities in regard to the Matter. Unless we are actually engaged after the completion of the Representation to provide additional advice on such issues, the firm has no continuing obligation to give advice with respect to any future legal developments that may pertain to the Matter.

It is our policy and the District's agreement that the person or entity that we represent is the one identified in our engagement letter, and that our attorney-client relationship does not include any related persons or entities. For example, if a corporation, partnership, or other organization is identified as our client in our engagement letter referenced above, we do not represent any related parent companies, subsidiaries, affiliates, employees, officers, directors, shareholders, partners, members, commonly owned corporations or partnerships, or other such persons, entities, or affiliates, whether becoming such by virtue of merger, dissolution, acquisition, or any other means.

Accordingly, it is understood that we may represent another client with interests adverse to any such affiliated or related person or entity without first obtaining consent from the District.

It is further agreed that the attorney-client relationship terminates upon our completion of the services for which we have been retained in the Representation.

Who Will Provide the Legal Services

As our engagement letter confirms, Norton Rose Fulbright US LLP will represent the in the Matter. Norton Rose Fulbright US LLP is a registered limited liability partnership under Chapter 152 of the Texas Business Organizations Code.

Although our firm will be providing legal services, each client of the firm customarily has a relationship principally with one attorney, or perhaps a few attorneys. At the same time, however, the work required in the Representation, or parts of it, may be performed by other firm personnel, including lawyers and paralegals. Such delegation may be for the purpose of involving other firm personnel with experience in a given area or for the purpose of providing services on an efficient and timely basis.

Our Relationships With Others

Our law firm represents many companies and individuals. In some instances, the applicable rules of professional conduct may limit our ability to represent clients with conflicting or potentially conflicting interests. Those rules of conduct often allow us to exercise our independent judgment in determining whether our relationship with one client prevents us from representing another. In other situations, we may be permitted to represent a client only if the other clients consent to that representation.

Rules concerning conflicts of interest vary with the jurisdiction. In order to avoid any uncertainty, it is our policy that the governing rules will be those applicable to the particular office of our firm that prepares the engagement letter for a particular matter. The acceptance by the District of our engagement letter constitutes an express agreement with that policy, unless the engagement letter specifically states that some other rules of professional responsibility will govern our attorney-client relationship.

From time to time, our firm may concurrently represent one client in a particular case or matter and, at the same time, our firm may be asked to represent an adversary of that same client in an unrelated case or matter. We would consider doing so only if it is our professional judgment that the firm could undertake the concurrent representation impartially and without any adverse effect on the responsibilities that the firm has to either client.

Specifically, it is possible that, during the Representation, some of our present or future clients will have disputes with you. By accepting these terms of engagement, it is expressly understood and agreed that we may continue to represent, or may undertake in the future to represent, existing or new clients in any matter that is not substantially related to the Representation, even if the interests of such clients in those other matters are directly adverse to you. We agree, however, that the prospective consent to conflicting representation contained in the preceding sentence shall not apply if, as a result of the Representation, we have obtained proprietary or other confidential information of a non-public nature that, if known to the other client, could be used in that matter by that client with the result of any material disadvantage to you.

In addition to our representation of other companies and individuals, we also regularly represent lawyers and law firms. As a result, opposing counsel in the Matter may be a lawyer or law firm

that we may represent now or in the future. Likewise, opposing counsel in the Matter may represent our firm now or in the future. Further, we have professional and personal relationships with many other attorneys, often because of our participation in bar associations and other professional organizations. It is our professional judgment that such relationships with other attorneys do not adversely affect our ability to represent any client. The acceptance of these terms of engagement represents an unqualified consent to any such relationships between our firm and other lawyers or law firms, even counsel who is representing a party that is adverse to the District in the Matter that is the subject of this engagement or in some other matter.

Communications and Confidentiality

We have available Internet communication procedures that allow our attorneys to use e-mail for client communications in many instances. Accordingly, unless the District specifically directs us otherwise, we may use unencrypted e-mail sent on the Internet to communicate with the District and to send documents we have prepared or reviewed.

We recognize our obligation to preserve the confidentiality of attorney-client communications as well as client confidences, as required by the governing rules of professional responsibility. If the Matter involves transactions, litigation or administrative proceedings or like proceedings in which we appear as counsel of record for the District in publicly available records, we reserve the right to inform others of the fact of our representation of the District in the Matter and (if likewise reflected of record in publicly available records) the results obtained, unless the District specifically directs otherwise.

Norton Rose Fulbright US LLP, Norton Rose Fulbright LLP, Norton Rose Fulbright Australia, Norton Rose Fulbright Canada LLP and Norton Rose Fulbright South Africa Inc, each of which is a separate legal entity, are members in Norton Rose Fulbright Verein, a Swiss verein that does not itself provide legal services. Although the members in Norton Rose Fulbright remain separate legal entities, we operate as a single legal practice. We share with other members non-privileged information about our practice and clients for research, practice management, training, administrative and other business purposes. Confidentiality agreements are in place among all members. If you have any concerns about this sharing of non-privileged information that relates to you, please promptly notify us so that we can address your concerns.

Disclaimer

Norton Rose Fulbright US LLP has made no promises or guarantees to the District about the outcome of the Representation or the Matter, and nothing in these terms of engagement shall be construed as such a promise or guarantee.

Termination

Our representation may be terminated prior to the conclusion of the Matter by either of us by written notice to the other party.

We are subject to the codes or rules of professional responsibility for the jurisdictions in which we practice. There are several types of conduct or circumstances that could result in our withdrawing from representing a client, including, for example, the following: non-payment of fees or charges; misrepresentation or failure to disclose material facts; fraudulent or criminal conduct; action contrary to our advice; and conflict of interest with another client. The right of Norton Rose Fulbright US LLP to withdraw in such circumstances is in addition to any rights created by statute or recognized by the governing rules of professional conduct. Further, a failure by the District meet any obligations under these terms of engagement shall entitle us to terminate the

Representation. We try to identify in advance and discuss with our clients any situation that may lead to our withdrawal.

Termination of the Representation will not affect the District's obligation to pay for legal services rendered and expenses and charges incurred before termination, as well as additional services and charges incurred in connection with an orderly transition of the Matter. Further, in the event of termination of the Representation, the District will take all steps necessary to release Norton Rose Fulbright US LLP of any further obligations in the Representation or the Matter, including without limitation the execution of any documents necessary to effectuate our withdrawal from the Representation or the Matter.

Billing Arrangements and Terms of Payment

Our engagement letter specifically explains our fees for services in the Matter. We will bill on a regular basis, normally each month, for fees and expenses and charges. It is agreed that the District will make full payment within 30 days of receiving our statement. We will give notice if an account becomes delinquent, and it is further agreed that any delinquent account must be paid upon the giving of such notice. If the delinquency continues and the District does not arrange satisfactory payment terms, we may withdraw from the Representation and pursue collection of our account.

Document Retention

At the close of any matter, we send our files in that matter to a storage facility for storage at our expense. The attorney closing the file determines how long we will maintain the files in storage. After that time, we will destroy the documents in the stored files.

At the conclusion of the Representation, we return to the client any documents that are specifically requested to be returned. As to any documents so returned, we may elect to keep a copy of the documents in our stored files.

Charges for Other Expenses and Services

Typically, our invoices will include amounts, not only for legal services rendered, but also for other expenses and services. Examples include charges for photocopying, travel and conference expenses, messenger deliveries, Texas Attorney General filing fee, UCC filing, TEFRA notices, telephone conferences, and computerized research. In addition, we reserve the right to send to the District for direct payment any invoices delivered to us by others, including experts and any vendors.

In situations where we can readily determine the exact amount of expenses for products and services provided by third parties to be charged to your account, our invoices will reflect the cost to us of the products and services. In many situations, however, the precise total cost of providing a product or service is difficult to establish, in which case we will use our professional judgment on the charges to be made for such product or service, which charges may vary from or exceed our direct cost of such product or service. In some situations, we can arrange for ancillary services to be provided by third parties with direct billing to the client. Attached is a copy of our current recharge schedule for expenses and services, which is subject to change from time to time.

Standards of Professionalism and Attorney Complaint Information

Pursuant to rules promulgated by the Texas Supreme Court and the State Bar of Texas, we are to advise our clients of the contents of the Texas Lawyer's Creed, a copy of which is attached. In

addition, we are to advise clients that the State Bar of Texas investigates and prosecutes complaints of professional misconduct against attorneys licensed in Texas. A brochure entitled *Attorney Complaint Information* is available at all of our Texas offices and is likewise available upon request. A client that has any questions about State Bar's disciplinary process should call the Office of the General Counsel of the State Bar of Texas at 1-800-932-1900 toll free.

THE TEXAS LAWYER'S CREED — A MANDATE FOR PROFESSIONALISM

The Texas Supreme Court and the Texas Court of Criminal Appeals adopted this Creed, with the requirement that lawyers advise their clients of its contents when undertaking representation.

I am a lawyer; I am entrusted by the People of Texas to preserve and improve our legal system. I am licensed by the Supreme Court of Texas. I must therefore abide by the Texas Disciplinary Rules of Professional Conduct, but I know that Professionalism requires more than merely avoiding the violation of laws and rules. I am committed to this Creed for no other reason than it is right.

I. OUR LEGAL SYSTEM. A lawyer owes to the administration of justice personal dignity, integrity, and independence. A lawyer should always adhere to the highest principles of professionalism. I am passionately proud of my profession. Therefore, "My word is my bond." I am responsible to assure that all persons have access to competent representation regardless of wealth or position in life. I commit myself to an adequate and effective pro bono program. I am obligated to educate my clients, the public, and other lawyers regarding the spirit and letter of this Creed. I will always be conscious of my duty to the judicial system.

II. LAWYER TO CLIENT. A lawyer owes to a client allegiance, learning, skill, and industry. A lawyer shall employ all appropriate means to protect and advance the client's legitimate rights, claims, and objectives. A lawyer shall not be deterred by any real or imagined fear of judicial disfavor or public unpopularity, nor be influenced by mere self-interest. I will advise my client of the contents of this Creed when undertaking representation. I will endeavor to achieve my client's lawful objectives in legal transactions and in litigation as quickly and economically as possible. I will be loyal and committed to my client's lawful objectives, but I will not permit that loyalty and commitment to interfere with my duty to provide objective and independent advice. I will advise my client that civility and courtesy are expected and are not a sign of weakness. I will advise my client of proper and expected behavior. I will treat adverse parties and witnesses with fairness and due consideration. A client has no right to demand that I abuse anyone or indulge in any offensive conduct. I will advise my client that we will not pursue conduct which is intended primarily to harass or drain the financial resources of the opposing party. I will advise my client that we will not pursue tactics which are intended primarily for delay. I will advise my client that we will not pursue any course of action which is without merit. I will advise my client that I reserve the right to determine whether to grant accommodations to opposing counsel in all matters that do not adversely affect my client's lawful objectives. A client has no right to instruct me to refuse reasonable requests made by other counsel. I will advise my client regarding the availability of mediation, arbitration, and other alternative methods of resolving and settling disputes.

III. LAWYER TO LAWYER. A lawyer owes to opposing counsel, in the conduct of legal transactions and the pursuit of litigation, courtesy, candor, cooperation, and scrupulous observance of all agreements and mutual understandings. Ill feelings between clients shall not influence a lawyer's conduct, attitude, or demeanor toward opposing counsel. A lawyer shall not engage in unprofessional conduct in retaliation against other unprofessional conduct. I will be courteous, civil, and prompt in oral and written communications. I will not quarrel over matters of form or style, but I will concentrate on matters of substance. I will identify for other counsel or parties all changes I have made in documents submitted for review. I will attempt to prepare documents which correctly reflect the agreement of the parties. I will not include provisions which have not been agreed upon or omit provisions which are necessary to reflect the agreement of the parties. I will notify opposing counsel, and, if appropriate, the Court or other persons, as soon as practicable.

when hearings, depositions, meetings, conferences or closings are canceled. I will agree to reasonable requests for extensions of time and for waiver of procedural formalities, provided legitimate objectives of my client will not be adversely affected. I will not serve motions or pleadings in any manner that unfairly limits another party's opportunity to respond. I will attempt to resolve by agreement my objections to matters contained in pleadings and discovery requests and responses. I can disagree without being disagreeable. I recognize that effective representation does not require antagonistic or obnoxious behavior. I will neither encourage nor knowingly permit my client or anyone under my control to do anything which would be unethical or improper if done by me. I will not, without good cause, attribute bad motives or unethical conduct to opposing counsel nor bring the profession into disrepute by unfounded accusations of impropriety. I will avoid disparaging personal remarks or acrimony towards opposing counsel, parties and witnesses. I will not be influenced by any ill feeling between clients. I will abstain from any allusion to personal peculiarities or idiosyncrasies of opposing counsel. I will not take advantage, by causing any default or dismissal to be rendered, when I know the identity of an opposing counsel, without first inquiring about that counsel's intention to proceed. I will promptly submit orders to the Court. I will deliver copies to opposing counsel before or contemporaneously with submission to the court. I will promptly approve the form of orders which accurately reflect the substance of the rulings of the Court. I will not attempt to gain an unfair advantage by sending the Court or its staff correspondence or copies of correspondence. I will not arbitrarily schedule a deposition, Court appearance, or hearing until a good faith effort has been made to schedule it by agreement. I will readily stipulate to undisputed facts in order to avoid needless costs or inconvenience for any party. I will refrain from excessive and abusive discovery. I will comply with all reasonable discovery requests. I will not resist discovery requests which are not objectionable. I will not make objections nor give instructions to a witness for the purpose of delaying or obstructing the discovery process. I will encourage witnesses to respond to all deposition questions which are reasonably understandable. I will neither encourage nor permit my witness to quibble about words where their meaning is reasonably clear. I will not seek Court intervention to obtain discovery which is clearly improper and not discoverable. I will not seek sanctions or disqualification unless it is necessary for protection of my client's lawful objectives or is fully justified by the circumstances.

IV. LAWYER AND JUDGE. Lawyers and judges owe each other respect, diligence, candor, punctuality, and protection against unjust and improper criticism and attack. Lawyers and judges are equally responsible to protect the dignity and independence of the Court and the profession. I will always recognize that the position of judge is the symbol of both the judicial system and administration of justice. I will refrain from conduct that degrades this symbol. I will conduct myself in court in a professional manner and demonstrate my respect for the Court and the law. I will treat counsel, opposing parties, the Court, and members of the Court staff with courtesy and civility. I will be punctual. I will not engage in any conduct which offends the dignity and decorum of proceedings. I will not knowingly misrepresent, mischaracterize, misquote or miscite facts or authorities to gain an advantage. I will respect the rulings of the Court. I will give the issues in controversy deliberate, impartial and studied analysis and consideration. I will be considerate of the time constraints and pressures imposed upon the Court, Court staff and counsel in efforts to administer justice and resolve disputes.

RESOLUTION

A RESOLUTION APPROVING AN ENGAGEMENT AGREEMENT FOR BOND COUNSEL LEGAL SERVICES WITH NORTON ROSE FULBRIGHT US LLP; AND OTHER MATTERS IN CONNECTION THEREWITH

WHEREAS, the Board of Trustees (the *Board*) of the Lexington Independent School District (the *District*) anticipates accessing the public or private markets from time to time to issue public securities to finance certain capital improvement projects within the District or to refinance public securities previously issued by the District, which will require the District to comply with the applicable laws and administrative rules of the State of Texas (the *State*) and federal securities and federal tax laws related thereto; and

WHEREAS, the Board requires legal counsel which specializes in public finance matters and is well versed in State and federal securities and federal tax laws and applicable administrative procedures to provide bond counsel and disclosure counsel legal services pertaining to the District's issuance of public securities;

WHEREAS, the payment of such legal services shall be contingent on the District's successful issuance of public securities pertaining thereto and shall be payable from such public securities proceeds; and

WHEREAS, Norton Rose Fulbright US LLP will provide the District with bond counsel and disclosure counsel legal services on all of the District's publicly offered or privately placed public securities and has provided the District with one or more engagement agreements for bond counsel legal services pertaining to the District's anticipated future issuances of public securities (the *Engagement Agreement*, attached hereto as Exhibit A); and

WHEREAS, House Bill No. 2826, 86th Leg., R.S, effective September 1, 2019 (*HB 2826*), requires that a political subdivision of the State, including the District, enter into a contingent fee contract for legal services only after: (i) the governing body of the political subdivision has provided written notice to the public stating certain provisions enumerated within HB 2826; (ii) the governing body of the political subdivision approved such contract in an open meeting called for the purposes of considering such contract; (iii) the governing body of the political subdivision has stated in writing certain findings made by the governing body upon the approval of such contract, and (iv) the Texas Attorney General need not approve the Engagement Agreement pursuant to the exception provided by Section 2254.102(e) of HB 2826; and

WHEREAS, the Board caused notice of this resolution (the *Resolution*), this meeting, and the following provisions enumerated within HB 2826 to be provided to the public in accordance with the Texas Open Meetings Act and HB 2826:

1. The Board of the District intends to engage Norton Rose Fulbright US LLP to provide the District with bond counsel legal services pertaining to the District's issuance of public securities on the public or private market, including advising the District on any "official statement" to potential

investors pursuant to federal securities laws and issuing a legal opinion as to the foregoing;

2. Norton Rose Fulbright US LLP, as a result of a competitive process of bond counsel firms, if necessary, has demonstrated to the District its competence, qualifications, and experience as an industry leader in public finance matters through the provision of bond counsel and disclosure counsel legal services, the representation of multiple advisors, issuers, and other parties in United States Securities and Exchange Commission enforcement actions, the publication of disclosure policies and the representation of State agencies and political subdivisions within the State of Texas on public securities related issues;
3. Accessing the public or private markets through the issuance of public securities and providing an “official statement” of the District to potential investors is governed by State and federal securities and federal tax laws and requires the advice of legal advisors that specialize in public finance matters that are well versed in public finance legal matters;
4. Engaging an attorney in private practice who specializes in public finance matters and is well versed in State and federal securities and federal tax laws pursuant to an hourly fee arrangement would likely result in higher fees to be paid by the District, and such fees incurred would be payable by the District by amounts on deposit in the District’s General Fund, whether or not the public securities are issued;
5. Fees for legal services in public finance matters, including bond counsel and disclosure counsel legal services, have traditionally been paid pursuant to a contingent fee contract, where such fees become payable only upon the successful issuance of the public securities and are payable solely out of the proceeds of the public securities;
6. Entering into a contract for bond counsel and disclosure counsel legal services with Norton Rose Fulbright US LLP (a firm that specializes in public finance matters and is well versed in State and federal securities and federal tax laws) payment of which is contingent on the District’s successful issuance of public securities and payable out of public securities proceeds provides the District a superior level of bond counsel and disclosure counsel legal services and fee(s) payable under the contract are reasonable in the public finance market and would likely be less than if such services were conducted pursuant to an hourly rate contract with an attorney specializing in public finance matters;
7. For each of the reasons state above, the execution of contingent fee engagement contracts with Norton Rose Fulbright US LLP is in the best interest of the residents of the District; and

WHEREAS, the meeting at which this Resolution is being considered is an open meeting called, in part, for the purposes of considering (i) the need for obtaining the bond counsel and disclosure counsel legal services that are the subject of the Engagement Agreement, (ii) the terms of the Engagement Agreement, (iii) the competence, qualifications, and experience of Norton Rose Fulbright US LLP, and (iv) the reasons the Engagement Agreement is in the best interest of the residents of the District and in compliance with HB 2826; and

WHEREAS, the Board hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the District; now, therefore,

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

SECTION 1. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board.

SECTION 2. The Board hereby finds that: (i) there is a substantial need for the bond counsel and disclosure counsel legal services that are the subject of the Engagement Agreement with Norton Rose Fulbright US LLP; (ii) the District does not currently employ attorneys and supporting personnel qualified to provide bond counsel and disclosure counsel legal services; (iii) the bond counsel and disclosure counsel legal services cannot reasonably be obtained from attorneys in private practice under a contract providing only for the payment of hourly fees, without regard to the outcome of the matter, because of the nature of the matter for which the bond counsel and disclosure counsel legal services will be obtained and because, until the issuance of a public security, the District will not have funds to pay the estimated amounts required under a contract providing only for the payment of hourly fees which is not contingent on the issuance of the public securities; and (iv) the relationship between the District or the Board and Norton Rose Fulbright US LLP is not improper and would not appear improper to a reasonable person.

SECTION 3. Based on the findings by the Board described above, the Board hereby approves the District entering into the Engagement Agreement with Norton Rose Fulbright US LLP and authorizes the Superintendent of Schools or the Business Manager to execute the Engagement Agreement.

SECTION 4. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, so that the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 5. This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 6. If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 7. It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 8. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED, ADOPTED AND APPROVED on this the 21st day of November, 2019.

LEXINGTON INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

EXHIBIT A
Engagement Agreement

EXHIBIT A
FEE SCHEDULE

Standard Fee Schedule:

Our proposed fee schedule will be based on the greater of \$10,000 and the product of the principal amount of any debt obligation (an *Obligation*) applied against the following fee schedule:

Principal Amount of Obligations	Fee* (per \$1,000 denomination)
\$0 - \$50,000,000	\$1.30
\$50,000,001-\$100,000,000	\$1.15
Over \$100,000,000	\$1.00

- * This scale will be increased by 20% for the issuance of any refunding Obligations.
- * An amount of \$5,000 will be added to the above fee for additional federal income tax expertise relating to each series of Obligations issued as tax-exempt under federal law.
- * Variable Rate Obligations (without third-party liquidity) will be billed at our standard fee scale, plus \$25,000.
- * Remarketings of outstanding variable rate Obligations to new variable rate term periods or fixed rate conversions will be billed at 50% of our standard fee schedule (plus \$5,000 for additional federal income tax expertise in the event that any such remarketing or conversion results in a reissuance of Obligations under federal tax law).
- * To the extent that our Firm is responsible for preparing the offering documents relating to the issuance or remarketing of any Obligations, an additional fee of \$12,500 will be charged.
- * Lease-purchase obligation will be billed on an hourly basis, subject to a minimum charge of \$15,000.
- * Individual expense reimbursements for any issuance of Obligations shall be capped at \$2,500 per series.
- * Redemptions not associated with a bond transaction are billed at a fixed fee of \$5,000.
- * Separately negotiated hourly or fixed fee arrangement for all derivative product structures, variable rate bond programs with third party liquidity, limited tax debt, and lease revenue bonds.
- * Case-by-case exceptions may be made to the above.

LIST OF EXPENSES

**NORTON ROSE FULBRIGHT US LLP
(San Antonio)**

Expenses and Services Summary**

EXPENSE/SERVICE	CHARGE
Binding	N/A (Pricing varies in other office locations)
Data Base Research Lexis, Westlaw, Information America	Costs allocated by the Firm
Deliveries	
Overnight/Express	Direct Cost
Outside Courier	Direct Cost
In-House	N/A (Pricing varies in other office locations)
Courthouse Messengers	\$40.00/Hour plus Transportation (Pricing varies in other office locations)
Document Scanning	\$.12 per page – Direct Cost
Duplicating	
Photocopy	\$0.15 per page
Color photocopy	\$0.85 per page
Microfilm/Microfiche	\$0.50 per page
Videography (duplication)	\$5.00/tape plus \$20.00/duplication
Electronic Mail (via Internet)	No Charge
Library Research by Library Staff	\$130.00 per hour
Weekend & Late Evening Air Conditioning	N/A (Pricing varies in other office locations)
Postage	Direct Cost on any item or group of items which cost \$1.00 or more
Secretarial Overtime	\$28.00 per hour (Pricing varies in other office locations)
Facsimile (Outgoing)	No charge

EXPENSE/SERVICE	CHARGE
Telephone	
Long Distance (Domestic)	No charge
Long Distance (International)	No charge
File Storage Retrieval	N/A (Pricing varies in other office locations)
Publication	Direct Cost
Texas Attorney General Transcript Review Fee	Direct Cost
Transportation	
Mileage (personal automobile)	Applicable IRS allowable rate per mile
Lodging	Direct Cost
Meals	Direct Cost
Car Rental/Airline/Rail/Etc.	Direct Cost
CD-ROM Research	\$30.00 - \$50.00 per Search (rate varies based on length of search)
Graphic Arts	\$120.00 - \$150.00 per hour, plus direct cost of supplies
Practice Support	\$60.00 - \$215.00 per hour
E-Discovery	Direct Cost
Firm hosting of on-site document review performed by outside contract attorneys	\$5.00 per hour

As a courtesy to the District, we will agree to cap our expenses to \$2,500 per transaction (excluding reimbursement of Texas Attorney General transcript review fee and any costs of publication of election notices).

LIST OF REIMBURSABLE EXPENSES

Our Firm does not have reimbursable expenses that would be appropriate for the District to account, other than normal transaction costs, including Texas Attorney General filing fees and translation costs.

A RESOLUTION RELATING TO ESTABLISHING THE LEXINGTON INDEPENDENT SCHOOL DISTRICT'S INTENTION TO REIMBURSE ITSELF FOR THE PRIOR LAWFUL EXPENDITURE OF FUNDS FOR CAPITAL ACQUISITIONS FROM THE PROCEEDS OF ONE OR MORE SERIES OBLIGATIONS TO BE ISSUED BY THE DISTRICT FOR AUTHORIZED PURPOSES; AUTHORIZING OTHER MATTERS INCIDENT AND RELATED THERETO; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Board of Trustees (the *Governing Body*) of the Lexington Independent School District (the *Issuer*) has entered into or will enter into various contracts pertaining to the expenditure of lawfully available funds of the Issuer to finance the costs associated with (i) acquiring real property, including a school building, for District purposes (the *Construction Costs*), (ii) the payment of various engineering costs, including design testing, design engineering, and construction inspection related to the Construction Costs (the *Engineering Costs*), (iii) the payment of various architectural costs, including preparation of plans and specifications and various other plans and drawings related to the Construction Costs (the *Architectural Costs*), and (iv) the payment of various administrative costs, including the fees of bond counsel, financial advisor, project manager, project consultant, other professionals, and bond printer (the *Administrative Costs*) [the Construction Costs, the Engineering Costs, the Architectural Costs, and the Administrative Costs collectively constitute the costs of the Issuer's project that is the subject of this Resolution (the *Project*)]; and

WHEREAS, the provisions of Section 1201.042, as amended, Texas Government Code (*Section 1201.042*) provide that the proceeds from the sale of obligations issued to finance the acquisition, construction, equipping, or furnishing of any project or facilities, such as the Project, may be used to reimburse the Issuer for costs attributable to such project or facilities paid or incurred before the date of issuance of such obligations; and

WHEREAS, the United States Department of Treasury (the *Department*) released Regulation Section 1.150-2 (the *Regulations*) which establishes when the proceeds of obligations are spent and therefore are no longer subject to various federal income tax restrictions contained in the Internal Revenue Code of 1986, as amended (the *Code*); and

WHEREAS, the Issuer intends to reimburse itself, within eighteen months from the later of the date of expenditure or the date the property financed is placed in service (but in no event more than three years after the original expenditures are paid), for the prior lawful capital expenditure of funds from the proceeds of the Issuer's Time Warrants, Series 2019 (the *Obligations*) that the Issuer currently contemplates issuing in the combined principal amount of not to exceed \$1,000,000 to finance a portion of the costs of the Project; and

WHEREAS, under the Regulations, to fund such reimbursement with proceeds of the Obligations, the Issuer must declare its expectation ultimately to make such reimbursement before making the expenditures; and

WHEREAS, the Issuer hereby finds and determines that the reimbursement for the prior expenditure of funds of the Issuer is not inconsistent with the Issuer's budgetary and financial circumstances; and

WHEREAS, the Governing Body hereby finds and determines that the adoption of this Resolution is in the best interests of the residents of the Issuer; now, therefore,

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

SECTION 1: This Resolution is a declaration of intent to establish the Issuer's reasonable, official intent under section 1.150-2 of the Regulations and Section 1201.042 to reimburse itself from certain of the proceeds of the Obligations for any capital expenditures previously incurred (not more than 60 days prior to the date hereof) or to be incurred with respect to the Project from the Issuer's General Fund or other lawfully available funds of the Issuer.

SECTION 2: The Issuer intends to issue the Obligations and allocate within 30 days after the date of issuance of the Obligations the proceeds therefrom to reimburse the Issuer for prior lawful expenditures with respect to the Project in a manner to comply with the Regulations.

SECTION 3: The reimbursed expenditure will be a type properly chargeable to a capital account (or would be so chargeable with a proper election) under general Federal income tax principles.

SECTION 4: The Issuer intends to otherwise comply, in addition to those matters addressed within this Resolution, with all the requirements contained in the Regulations.

SECTION 5: This Resolution may be relied upon by the appropriate officials at the Office of the Attorney General for the State of Texas and establishes compliance by the Issuer with the requirements of Texas law and the Regulations.

SECTION 6: With respect to the proceeds of the Obligations allocated to reimburse the Issuer for prior expenditures, the Issuer shall not employ an abusive device under Treasury Regulation Section 1.148-10, including using within one year of the reimbursement allocation, the funds corresponding to the proceeds of the Obligations in a manner that results in the creation of "replacement proceeds", as defined in Treasury Regulation Section 1.148-1, of the Obligations or another issue of tax-exempt obligations.

SECTION 7: The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Governing Body.

SECTION 8: All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters resolved herein.

SECTION 9: This Resolution shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

SECTION 10: If any provision of this Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Governing Body hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 11: It is officially found, determined, and declared that the meeting at which this Resolution is adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 12: This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED, ADOPTED AND APPROVED on this the 21st day of November, 2019.

LEXINGTON INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(ISSUER SEAL)

A RESOLUTION BY THE BOARD OF TRUSTEES OF THE LEXINGTON INDEPENDENT SCHOOL DISTRICT AUTHORIZING THE ISSUANCE OF OBLIGATIONS DESIGNATED AS “LEXINGTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTES, SERIES 2019”; MAKING PROVISION FOR THE PAYMENT THEREOF BY THE ANNUAL LEVY OF THE DISTRICT’S MAINTENANCE AND OPERATIONS AD VALOREM TAXES; PROVIDING THE TERMS AND CONDITIONS OF SAID NOTES AND RESOLVING OTHER MATTERS INCIDENT AND RELATING TO THEIR ISSUANCE, PAYMENT, SECURITY, SALE, AND DELIVERY; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AND INVESTMENT LETTER; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS PREVIOUSLY EXECUTED WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Lexington Independent School District (the *Issuer* or *District*) was organized, created and established pursuant to the Constitution and laws of the State of Texas as an independent school district and political subdivision of the State of Texas (the *State*), and the District operates under the authority of the Texas Education Code, as amended;

WHEREAS, Section 45.108, Texas Education Code, as amended (the *Act*), authorizes the Board of Trustees (the *Board*) of the District to borrow money for the purpose of paying any lawful maintenance expenditure of the District other than payment of principal of and interest on bonds and to evidence such loans with non-negotiable or negotiable notes maturing not more than twenty years from their date;

WHEREAS, pursuant to the provisions of 1 Tex. Admin. Code §53.62, a majority vote at an election held in the District on March 10, 1979, and Chapter 20, as amended, Texas Education Code (now codified as Chapter 45, as amended, Texas Education Code), the Board of Trustees of the District is authorized to levy an annual ad valorem tax at a rate not to exceed \$1.50 on each \$100 valuation on all taxable property of the District for the further maintenance of the free public schools within the District.

WHEREAS, the Board desires to finance certain lawful expenditures of the District through the issuance of non-negotiable notes (the *Notes*) issued under the authority of the Act;

WHEREAS, the Board considers it necessary, useful and appropriate to adopt this Resolution and to issue the Notes, as permitted by the Act;

WHEREAS, a budget has been adopted by the District for the school year ending August 31, 2020 and the Board hereby finds and determines that, in accordance with the Act, the Notes should be issued and sold at this time and such principal amount of Notes will not at any time exceed 75% of the previous year’s income of the District;

WHEREAS, the Board hereby finds and determines that the issuance of Notes is in the best interests of the residents of the District, now, therefore,

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

SECTION 1: Authorization - Designation - Principal Amount - Purpose - Dated Date. Notes of the District shall be and are hereby authorized to be issued in the aggregate principal amount TWO MILLION FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$2,500,000), to be designated and bear the title of “LEXINGTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTES, SERIES 2019”, for the purpose of providing funds to pay the costs incurred in connection with (i) making various capital improvements and renovations to and equip existing District facilities and (ii) payment of professional services including attorneys, financial advisors, other professionals and fiscal agents relating to the aforementioned projects, pursuant to the authority conferred by and in conformity with the Constitution and the laws of the State of Texas, particularly Section 45.108, as amended, Texas Education Code and a resolution finally adopted by the Board on November 21, 2019. The Notes shall be dated November 15, 2019 (the *Dated Date*) and interest shall accrue as provided in Section 2 hereof.

SECTION 2: Fully Registered Obligations - Authorized Denominations - Stated Maturities - Interest Rates. The Notes shall be issued as fully registered obligations, without coupons, shall be generally in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof (within a Stated Maturity), shall be lettered “R-1” and numbered consecutively from One (1) upward and shall have principal installments becoming due and payable on October 1 in each of the years and in amounts (the *Stated Maturities*) at the rates in accordance with the following schedule:

<u>Years of Stated Maturity</u>	<u>Principal Amounts (\$)</u>	<u>Interest Rates (%)</u>
2020		
2021		
2022		
2023		
2024		
2025		
2026		
2027		
2028		
2029		
2030		
2031		
2032		
2033		
2034		

The Notes shall bear interest on the unpaid principal amounts from the Closing Date (anticipated to occur on or about December 17, 2019) or from the most recent Interest Payment Date (defined below) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, until the principal amount has become due and payment thereof has been paid or duly provided for, 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 Notes shall be payable on April 1 and October 1 in each year (each, an *Interest Payment Date*), commencing October 1, 2020.

SECTION 3: Payment of Notes - Paying Agent/Registrar. The principal of and the interest on the Notes, due and payable by reason of Stated Maturity, or otherwise, shall be payable 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, and such payment of principal of and interest on the Notes shall be without exchange or collection charges to the registered owners of the Notes (the *Holder* or *Holder*s), appearing on the registration and transfer books maintained by the Paying Agent/Registrar of the Notes.

The selection and appointment of _____, to serve as the initial Paying Agent/Registrar (the *Paying Agent/Registrar*) for the Notes is hereby approved and confirmed, and the District 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 Notes, all as provided herein, in accordance with the terms and provisions of a Paying Agent/Registrar Agreement, attached, in substantially final form, as Exhibit A hereto, and such reasonable rules and regulations as the Paying Agent/Registrar and the District may prescribe. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Notes are paid and discharged, and any successor Paying Agent/Registrar shall be (i) a national or state banking institution or (ii) an association or a corporation organized and doing business under the laws of the United States of America or of any state, authorized under such laws to exercise 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 District 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 District agrees to promptly cause a written notice of this substitution to be sent to each Holder of the Notes by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Principal of and interest on the Notes, due and payable by reason of Stated Maturity, or otherwise, shall be payable only to the registered owner of the Notes appearing on the Security Register (the *Holder* or *Holder*s) maintained on behalf of the District by the Paying Agent/Registrar as hereinafter provided (i) on the Record Date (hereinafter defined) for purposes of payment of interest on the Notes, in whole or in part, (ii) on the date of surrender of the Notes for purposes of receiving payment of principal thereof at the Notes' Stated Maturity, and (iii) on any date for any other purpose. The District and the Paying Agent/Registrar, and any agent of either, shall treat the Holder as the owner of a Note for purposes of receiving payment and all other

purposes whatsoever, and neither the District 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 Notes shall be payable at Stated Maturity only upon presentation and surrender of the Notes to the Paying Agent/Registrar at its corporate trust office (provided, however, with respect to principal payments prior to the final Stated Maturity, the Notes need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar). Interest on the Notes shall be paid to the Holder whose name appears in the Security Register at the close of business on the fifteenth day of the month next preceding an Interest Payment Date for the Notes (the *Record Date*) and shall be paid (i) by check sent 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 Notes shall be a Saturday, a Sunday, a legal holiday, or a day on which banking institutions in the city where 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 Notes was due.

In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (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 of a Note appearing on the Security Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Mandatory Redemption of Notes. The Notes stated to mature on October 1, 20__ are referred to herein as the "Term Notes". The Term Notes are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Note 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 March 1 in each of the years as set forth below:

Term Notes
 Stated to Mature
on October 1, 20

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
-------------	----------------------------------	-------------	----------------------------------

*Payable at Stated Maturity.

The principal amount of a Term Note required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Notes 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 Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Note 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 Notes. The Notes having Stated Maturities on and after October 1, 2027 shall be subject to redemption prior to Stated Maturity, at the option of the Issuer, on October 1, 2026, or on any date thereafter, in whole or in part, in principal amounts of \$1,000 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 Notes (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the District shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem the Notes, the principal amount of each Stated Maturity to be redeemed, and the date set for the redemption thereof. The decision of the District to exercise the right to redeem the Notes shall be entered in the minutes of the Board of the District.

D. Selection of Notes for Redemption. If less than all Outstanding Notes 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 Notes to be redeemed, provided that if less than the entire principal amount of a Note is to be redeemed, the Paying Agent/Registrar shall treat such Note then subject to redemption as representing the number of Notes Outstanding which is obtained by dividing the principal amount of such Note by \$1,000.

E. Notice of Redemption. Not less than thirty (30) days prior to the redemption date for the Notes, 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 District and at the District's expense, by the Paying Agent/Registrar to each Holder of a Note 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 Notes, (ii) identify the Notes 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 Notes, 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 Notes, 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.

SECTION 5: If a Note 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 Note (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 Notes (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 Note (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Notes shall not be deemed to be Outstanding.

SECTION 6: Execution - Registration. The Notes shall be executed on behalf of the District by the President, Board of Trustees, under the seal of the District reproduced or impressed thereon and attested by the Secretary, Board of Trustees. The signature of any of said officers on the Notes may be manual or facsimile. Notes bearing the manual or facsimile signatures of individuals who were, at the time of the Dated Date, the proper officers of the District shall bind the District, notwithstanding that such individuals or either of them shall cease to hold such offices prior to the delivery of the Notes to the Purchasers, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Note shall be entitled to any right or benefit under this Resolution, or be valid or obligatory for any purpose, unless there appears on such Note 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 signature, or a certificate of registration substantially in the form provided in Section 8D, executed by the Paying Agent/Registrar by manual signature, and either such certificate upon any Note shall be conclusive evidence, and the only evidence, that such Note has been duly certified or registered and delivered.

SECTION 7: Registration - Transfer - Exchange of Notes - Predecessor Notes. The Paying Agent/Registrar shall obtain, record, and maintain in the Security Register the name and address of every owner of the Notes, or, if appropriate, the nominee thereof. Any Note may, in accordance with its terms and the terms hereof, be transferred or exchanged for Notes of other authorized denominations upon the Security Register by the Holder, in person or by his duly authorized agent, upon surrender of such Note 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 Note at the corporate trust office of the Paying Agent/Registrar, the District shall execute and the Paying Agent/Registrar shall register and deliver, in the name of the designated transferee or transferees, one or more new Notes of authorized denomination and having the same Stated Maturity and of a like interest rate and aggregate principal amount as the Note or Notes surrendered for transfer.

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

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

All transfers or exchanges of Notes 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.

Notes canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be Predecessor Notes, evidencing all or a portion, as the case may be, of the same debt evidenced by the new Note or Notes registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Notes shall include any Note registered and delivered pursuant to Section 16 in lieu of a mutilated, lost, destroyed, or stolen Note which shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Note.

SECTION 8: Initial Note. The Notes herein authorized shall be initially issued as a fully registered Note in the aggregate principal amount of \$2,500,000 with principal installments to become due and payable as provided in Section 2 hereof and numbered T-1 (the *Initial Note*), and the Initial Note shall be registered in the name of the Purchasers or the designee thereof. The Initial Note shall be the Notes 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 Note, the

Paying Agent/Registrar, pursuant to written instructions from the Purchasers, or the designee thereof, shall cancel the Initial Note delivered hereunder and exchange therefor definitive Notes 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 9: Forms.

A. Forms Generally. The Notes, the Registration Certificate of the Comptroller of Public Accounts of the State of Texas, the Registration Certificate of the Paying/Agent Registrar, and the Form of Assignment to be printed on each of the Notes shall be substantially in the forms set forth in this Section with such appropriate insertions, omissions, substitutions, and other variations as are permitted or required by this Resolution and may have such letters, numbers, or other marks of identification (including insurance legends in the event the Notes, or any Stated Maturities thereof, are insured and identifying numbers and letters of the Committee on Uniform Securities Identification Procedures of the American Bankers Association) and such legends and endorsements (including any reproduction of Bond Counsel (hereinafter referenced)) thereon as may, consistent herewith, be established by the District or determined by the officers executing the Notes as evidenced by their execution thereof. Any portion of the text of any Note may be set forth on the reverse thereof, with an appropriate reference thereto on the face of the Note.

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

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C. Form of Definitive Note.

REGISTERED
NO. _____

REGISTERED
PRINCIPAL AMOUNT
\$ _____

United States of America
State of Texas
Counties of Lee, Bastrop, Milam, and Williamson
LEXINGTON INDEPENDENT SCHOOL DISTRICT
MAINTENANCE TAX NOTES, SERIES 2019

Dated Date: November 15, 2019 Interest Rate: _____ Stated Maturity: _____ CUSIP NO: _____

REGISTERED OWNER: _____

PRINCIPAL AMOUNT: _____ DOLLARS

The Lexington Independent School District (the *District*), a body corporate and a political subdivision of the State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner specified above, or the registered assigns thereof, on the Stated Maturity date specified above, the principal amount specified above and to pay interest on the unpaid principal amount hereof from the Closing Date (anticipated to occur on or about December 17, 2019) or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for, to Stated Maturity, while Outstanding, until such principal amount has become due and payment thereof has been made or duly provided for, 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 until paid on October 1 and April 1 in each year (each, an *Interest Payment Date*), commencing October 1, 2020.

Principal on this Note shall be payable at its Stated Maturity to the Registered Owner hereof (the *Holder*), upon presentation and surrender (provided, however, with respect to principal payments prior to the final Stated Maturity, the Notes need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar) at the corporate trust office of _____ (the *Paying Agent/Registrar*), executing the registration certificate appearing hereon or a successor thereof. Interest shall be payable to the Holder of this Note (or one or more Predecessor Notes, as defined in the Resolution hereinafter referenced) whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Note 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 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 the Holder hereof at the Holder's risk and expense.

This Note is one of the series specified in its title issued in the aggregate principal amount of \$2,500,000 (herein referred to as the *Notes*) for the purpose of paying costs incurred in connection with (i) making various capital improvements and renovations to and equip existing District facilities and (ii) payment of professional services including attorneys, financial advisors, other professionals and fiscal agents relating to the aforementioned projects, pursuant to the authority conferred by and in conformity with the Constitution and the laws of the State of Texas, including Section 45.108, Texas Education Code, as amended (the *Act*), and pursuant to a Resolution adopted by the Board of Trustees of the District (herein referred to as the *Resolution*).

As specified in the Resolution, the Notes stated to mature on and after October 1, 2027 shall be subject to redemption prior to Stated Maturity, at the option of the District, on October 1, 2026 or on any date thereafter, in whole or in part, in principal amounts of 1,000 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, 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 Resolution. If this Note is subject to prior redemption and is of a denomination in excess of \$1,000, portions of the principal sum hereof in installments of \$1,000 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 Note 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 Note or Notes of like Stated Maturity and interest rate in any authorized denominations provided by in the Resolution.

If this Note shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Note 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 hereon from and after the redemption date on the principal amount hereof to be redeemed.

The Notes are payable from available funds of the District as authorized and provided in the Act, including an ad valorem tax levied, within the limitations of and pursuant to the District's maintenance taxing authority, on all taxable property in the District.

Reference is hereby made to the Resolution, 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 Notes; the terms and conditions relating to the transfer or exchange of the Notes; the conditions upon which the Resolution may be amended or supplemented with or without the consent of the Holders; the rights, duties, and obligations of the District and the Paying Agent/Registrar; the terms and provisions upon which this Note may be redeemed or discharged at or prior to the Stated Maturity thereof and deemed to be no longer Outstanding thereunder; and for the other terms and provisions specified in the Resolution. Capitalized terms used herein have the same meanings assigned in the Resolution.

This Note, subject to certain limitations contained in the Resolution, may be transferred on the Security Register upon presentation and surrender at the corporate trust office of the Paying Agent/Registrar, 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 thereupon one or more new fully registered Notes of the same Stated Maturity, of authorized denominations, bearing the same rate of interest, and of the same aggregate principal amount will be issued to the designated transferee or transferees.

The District and the Paying Agent/Registrar, and any agent of either, shall treat the Holder hereof whose name appears on the Security Register (i) on the Record Date as the owner hereof for purposes of receiving payment of interest hereon, (ii) on the date of surrender of this Note as the owner hereof for purposes of receiving payment of principal hereof at its Stated Maturity, and (iii) on any other date as the owner hereof for all other purposes, and neither the District nor the Paying Agent/Registrar, or any such agent of either, shall be affected by notice to the contrary. In the event of a non-payment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a *Special Record Date*) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (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 last business day next preceding the date of mailing of such notice.

It is hereby certified, represented, and declared that the District 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 Notes is duly authorized by law; that all acts, conditions, and things required to be performed, exist, and be done precedent to the issuance of this Note in order to render the same a legal, valid, and binding obligation of the District have been performed, exist, and have been done, in regular and due time, form, and manner, as required by law, and that issuance of the Notes does not exceed any constitutional or statutory limitation; and that due provision has been made for the payment of the principal of, premium if any, and interest on the Notes by the levy of a tax as aforesated. In case any provision in this Note or any application thereof shall be deemed invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions and applications shall not in any way be affected or impaired thereby. The Notes are issued pursuant to the provisions of Section 45.108, as amended, Texas Education Code and pursuant to the Resolution adopted on September 16, 2019 by the Board of Trustees. The terms and provisions of this Note and the Resolution shall be construed in accordance with and shall be governed by the laws of the State of Texas.

[The remainder of this page intentionally left blank.]

IN WITNESS WHEREOF, the District has caused this Note to be duly executed under its official seal.

LEXINGTON INDEPENDENT SCHOOL DISTRICT

By: _____
President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

[The remainder of this page intentionally left blank.]

C. *Form of Registration Certificate of Comptroller of Public Accounts to Appear on Initial Note Only.

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

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

I HEREBY CERTIFY that this Note 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)

D. Form of Certificate of Paying Agent/Registrar to Appear on Definitive Notes Only.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Note has been duly issued under the provisions of the within-mentioned Resolution; the Note or Notes 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: _____,
as Paying Agent/Registrar

By: _____
Authorized Signature

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

DATED: _____

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

Signature guaranteed:

[The remainder of this page is intentionally left blank.]

F. The Initial Note shall be in the respective forms set forth in paragraph B of this Section, except that the form of a single fully registered Initial Note shall be modified as follows:

- (i) immediately under the name of the Note(s) the headings “Interest Rate _____” and “Stated Maturity _____” shall both be completed “as shown below”;
- (ii) the first two paragraphs shall read as follows:

Lexington Independent School District (the *District*), a body corporate and political subdivision in the County of Grimes, State of Texas, for value received, acknowledges itself indebted to and hereby promises to pay to the order of the Registered Owner named above, or the registered assigns thereof, the principal amount specified above on the first day of October in each of the years and in principal amounts and bearing interest until paid at 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).

and to pay interest on the unpaid principal amount hereof from the Closing Date (anticipated to occur on or about October 9, 2019), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the principal amount has become due and payment thereof has been made or duly provided for, to Stated Maturity, 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 on April 1 and October 1 in each year (each, an *Interest Payment Date*), commencing October 1, 2020.

Principal of this Note shall be payable at its Stated Maturity to the Registered Owner hereof (the *Holder*), upon its presentation and surrender at the corporate trust office of _____ (the *Paying Agent/Registrar*) (provided, however, with respect to principal payments prior to the final Stated Maturity, the Notes need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar). Interest shall be payable to the Holder of this Note whose name appears on the Security Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the fifteenth day of the month next preceding each Interest Payment Date. All payments of principal of and interest on this Note 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 Legend. If bond insurance is obtained by the District or the Purchasers for the Notes, the Definitive Notes and the Initial Note shall bear an appropriate legend as provided by the insurer to appear under the following header:

[BOND INSURANCE]

SECTION 10: Definitions. For all purposes of this Resolution (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 Sections 18 and 35 of this Resolution have the meanings assigned to them in such Sections, and all such terms include the plural as well as the singular; (ii) all references in this Resolution to designated "Sections" and other subdivisions are to the designated Sections and other subdivisions of this Resolution as originally adopted; and (iii) the words "herein", "hereof", and "hereunder" and other words of similar import refer to this Resolution as a whole and not to any particular Section or other subdivision.

A. The term *Authorized Officials* shall mean the President, Board of Trustees, the Vice President, Board of Trustees, the Secretary, Board of Trustees, Business Manager, and/or the Superintendent of Schools.

B. The term *Closing Date* shall mean the date of physical delivery of the Initial Note in exchange for the payment in full by the Purchasers.

C. The term *Debt Service Requirements* shall mean, as of any particular date of computation, with respect to any obligations and with respect to any period, the aggregate of the amounts to be paid or set aside by the District as of such date or in such period for the payment of the principal of, premium, if any, and interest (to the extent not capitalized) on such obligations; assuming, in the case of obligations without a fixed numerical rate, that such obligations bear interest at the maximum rate permitted by the terms thereof and further assuming in the case of obligations required to be redeemed or prepaid as to principal prior to Stated Maturity, the principal amounts thereof will be redeemed prior to Stated Maturity in accordance with the mandatory redemption provisions applicable thereto.

D. The term *Depository* shall mean an official depository bank of the District.

E. The term *District* shall mean Lexington Independent School District, and, where appropriate, the Board of Trustees of the District.

F. 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 Notes.

G. The term *Holder* or *Holder*s shall mean the registered owner, whose name appears in the Security Register, for any Note.

H. The term *Interest Payment Date* shall mean the date semiannual interest is payable on the Notes, being April 1 and October 1 in each year, commencing October 1, 2020 while any of the Notes remain Outstanding.

I. The term *Interest and Sinking Fund* shall mean the special fund created and established by the provisions of Section 10 of this Resolution.

J. The term *Notes* shall mean the \$2,500,000 “LEXINGTON INDEPENDENT SCHOOL DISTRICT MAINTENANCE TAX NOTES, SERIES 2019” authorized by this Resolution.

K. The term *Outstanding* when used in this Resolution with respect to Notes shall mean, as of the date of determination, all Notes issued and delivered under this Resolution, except:

(1) those Notes canceled by the Paying Agent/Registrar or delivered to the Paying Agent/Registrar for cancellation;

(2) those Notes for which payment has been duly provided by the District in accordance with the provisions of Section 20 of this Resolution; and

(3) those Notes that have been mutilated, destroyed, lost, or stolen and replacement Notes have been registered and delivered in lieu thereof as provided in Section 16 of this Resolution.

L. The term *Purchasers* shall mean the initial purchasers of the Notes named in Section 17 of this Resolution.

M. The term *Resolution* shall mean this resolution finally adopted by the Board of Trustees of the District on November 21, 2019.

N. The term *Stated Maturity* shall mean the annual principal payments of the Notes payable on October 1 of each year, as set forth in Section 2 of this Resolution.

SECTION 11: Provision for Payment of Notes.

A. In accordance with the provisions of Texas Education Code, as amended, Section 45.108, available funds of the District are hereby pledged to the payment of the Debt Service Requirements on the Notes as the same shall become due and payable.

Each year the Notes are outstanding, the District covenants that the annual budget of the District shall include as a separate line item an amount equal to the Debt Service Requirements of the Notes due and payable in such budget year and to the extent other available funds of the District are not budgeted and set aside for such purposes to pay such Debt Service Requirements, the District shall levy a tax each year within the District's maintenance taxing authority as authorized by Section 45.108 of the Act sufficient to pay the Notes and such annual tax rate levied and assessed by the District for the payment of the Notes shall be identified and stated separately in the annual tax levy of the District from other taxes levied for maintenance purposes and debt service.

To provide for the timely payment of the Debt Service Requirements of the Notes, a tax shall be and is hereby levied, within the limitations of the District's maintenance tax authority, on each \$100 valuation of taxable property within the District for the current year and each succeeding year while the Notes are outstanding and unpaid, taking into account delinquencies, cost of collection and other available funds of the District which are budgeted and set aside for such purposes. The amount of taxes assessed and collected each year for the payment of the Notes shall be deposited to the credit of the interest and sinking fund (the *Interest and Sinking Fund*) hereby established (to be entitled *Lexington Independent School District 2019 Note Fund* which shall be maintained at the Depository) for the payment of Debt Service Requirements of the Notes, and the amounts deposited to the credit of the Interest and Sinking Fund shall not be diverted to or utilized for any other purpose. This governing body hereby declares its purpose and intent to provide and levy a tax legally and fully sufficient to pay the Debt Service Requirements on the Notes taking into account the aforesaid matters, it having been determined that the existing and available taxing authority of the District and the other available funds for such purpose is adequate to permit a legally sufficient tax in consideration of all other obligations of the District.

B. Authorized Officials of the District are hereby authorized and directed to cause to be transferred to the Paying Agent/Registrar for the Notes, from funds on deposit in the Interest and Sinking Fund, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Notes as the same shall become payable or matures; such transfers to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before each principal and interest payment date for the Notes.

C. Pending the transfer of funds to the Paying Agent/Registrar, money in any fund established by this Resolution, at the option of the District, may 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 such fund will be available at the proper time or times. All interest and income derived from deposits and investments in such fund 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 Notes.

SECTION 12: Deposits to Interest and Sinking Fund - Surplus Note Proceeds. The District hereby covenants and agrees to cause to be deposited in the Interest and Sinking Fund prior to a principal and interest payment date for the Notes, from the annual levy of its maintenance and operations ad valorem tax or from other lawfully available funds, amounts sufficient to fully pay and discharge promptly each installment of interest and principal of the Notes as the same accrues or matures or comes due by reason of Stated Maturity.

Accrued interest, if any, received from the Purchasers of the Notes shall be deposited to the Interest and Sinking Fund. In addition, any surplus proceeds from the sale of the Notes, including investment income thereon, not expended for authorized purposes shall be deposited in the Interest and Sinking Fund, and such amounts so deposited shall reduce the sums otherwise required to be deposited in the Interest and Sinking Fund from ad valorem taxes.

SECTION 13: Security of Funds. All money on deposit in the funds for which this Resolution 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 Funds shall be used only for the purposes permitted by this Resolution.

SECTION 14: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the District covenants and agrees particularly that in the event the District (i) defaults in the payments to be made to the Interest and Sinking Fund or (a) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Resolution, the Holders of any of the Notes shall be entitled to seek a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the governing body of the District and other officers of the District to observe and perform any covenant, condition, or obligation prescribed in this Resolution.

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 15: Notices to Holders - Waiver. Wherever this Resolution 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 Resolution 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 16: Cancellation. All Notes surrendered for payment, transfer, exchange, or replacement, if surrendered to the Paying Agent/Registrar, shall be promptly canceled by it and, if surrendered to the District, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The District may at any time deliver to the Paying Agent/Registrar for cancellation any Notes previously certified or registered and delivered which the District may have acquired in any manner whatsoever, and all Notes so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Notes held by the Paying Agent/Registrar shall be destroyed as directed by the District.

SECTION 17: Mutilated, Destroyed, Lost, and Stolen Notes. If (1) any mutilated Note is surrendered to the Paying Agent/Registrar, or the District and the Paying Agent/Registrar receive evidence to their satisfaction of the destruction, loss, or theft of any Note, and (2) there is delivered to the District 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 District or the Paying Agent/Registrar that such Note has been acquired by a bona fide purchaser, the District 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 Note, a new Note of the same Stated Maturity and interest rate and of like tenor and principal amount, bearing a number not contemporaneously outstanding.

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

Upon the issuance of any new Note or payment in lieu thereof, under this Section, the District 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 (including attorney's fees and the fees and expenses of the Paying Agent/Registrar) connected therewith.

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

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 Notes.

SECTION 18: Sale of the Notes - Authorization of Purchase Contract - Use of Proceeds. The Notes authorized by this Resolution are hereby sold by the District to _____, as a direct bank purchase (the *Purchasers*, and having all the rights, benefits, and obligations of a Holder) in accordance with the provisions of a Purchase and Investment Letter (the *Purchase Contract*), dated November 21, 2019, attached hereto as Exhibit B and incorporated herein by reference as a part of this Resolution for all purposes. The Initial Note shall be registered in the name of _____. The pricing and terms of the sale of the Notes are hereby found and determined to be the most advantageous reasonably obtainable by the District. Any Authorized Official is hereby authorized and directed to execute the Purchase Contract for and on behalf of the District and as the act and deed of this Board, and in regard to the approval and execution of the Purchase Contract, the Board hereby finds, determines and declares that the representations, warranties, and agreements of the District contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the District. Delivery of the Notes to the Purchasers shall occur as soon as practicable after the adoption of this Resolution, upon payment therefor in accordance with the terms of the Purchase Contract.

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

A. Accrued interest, if any, received from the Purchasers shall be deposited into the Interest and Sinking Fund.

B. The balance of the proceeds derived from the sale of the Notes (after paying costs of issuance) shall be deposited into the special account or accounts created for the payment of expenditures from the proceeds of the Notes. This special account shall be established and maintained at the Depository and shall be invested in accordance with the provisions of Section 10 of this Resolution. Interest earned on the proceeds of the Notes pending completion of the renovations and repairs and the acquisition of the items of personal property, furniture, supplies, materials and equipment 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 of this Resolution.

SECTION 19: Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

Closing Date shall mean the date of physical delivery of the Initial Note in exchange for the payment of the agreed purchase price for the Notes.

Code means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

Computation Date has the meaning set forth in Section 1.148-1(b) of the Regulations.

Gross Proceeds means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Notes.

Investment has the meaning set forth in Section 1.148-1(b) of the Regulations.

Nonpurpose Investment means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Notes are invested and which is not acquired to carry out the governmental purposes of the Notes.

Rebate Amount has the meaning set forth in Section 1.148-1(b) of the Regulations.

Regulations means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Notes. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

Time Warrants means the “East Bernard Independent School District Time Warrants, Series 2019” dated November 19, 2019 in the aggregate principal amount of \$1,000,000, issued concurrently with the Notes.

Yield of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Notes and Time Warrants, combined as a single issue, has the meaning set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Notes to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Note, the District shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent that it will not cause the Notes to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the last Stated Maturity of Notes:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly

with Gross Proceeds of the Notes, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Notes or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent that it will not cause the Notes to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Notes to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if: (i) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes; (ii) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (iii) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent that it will cause the Notes to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final Stated Maturity of the Notes directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Notes.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Notes to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder and as specified in Subsection J of this of this Section:

(1) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Note is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Notes with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Notes until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Notes by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States out of the Interest and Sinking Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Notes equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the earlier of the Stated Maturity or final payment of the Notes, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Notes not been relevant to either party.

J. No Rebate Required. The District need not comply with the covenants and duties imposed by the provisions of Subsection H. of this Section if:

- (1) the District is a governmental unit with general taxing powers;
- (2) 95% of the Net Proceeds of the Notes and all income from the investment thereof will be used for the governmental activities of the District;
- (3) the aggregate face amount, within the meaning of Section 1.148-8(c)(1) of the Regulations, of all debt obligations (other than private activity bonds) issued or expected to be issued by the District or any subordinate entity in the calendar year in which the Notes are issued is not reasonably expected to exceed \$5,000,000, plus the lesser of (i) \$10,000,000 and (ii) so much of the aggregate face amount of bonds that are attributable to financing "construction" (as defined in section 148(f)(4)(C)(iv) of the Code) of public school facilities; and
- (4) the District otherwise satisfies the requirements of paragraph (4)(c) of section 148(f) of the Code and Section 1.148-8 of the Regulations and rulings thereunder.

K. Notes Not Hedge Bonds.

- (1) The District reasonably expects to spend at least 85% of the spendable proceeds of the Notes within three years after such Notes are issued.
- (2) Not more than 50% of the proceeds of the Notes will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

L. Elections. The District hereby directs and authorizes any Authorized Official, either or any combination of the foregoing, to make elections permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Notes, in the Certificate as to Tax Exemption or similar or other appropriate certificate, form or document permitted or required pursuant to the provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Notes. Such elections shall be deemed to be made on the Closing Date.

M. Qualified Tax-Exempt Obligations. The District hereby designates the Notes as *qualified tax-exempt obligations* for purposes of section 265(b) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) during the calendar year in which the Notes are issued, the District (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Notes, will result in more than \$10,000,000 of "qualified tax-exempt obligations" being issued; (b) the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2019 by the District (including any subordinate entities) will not exceed \$10,000,000; and (c) the District will take such action or refrain from such action as is necessary in order that the Notes will not be considered "private activity bonds" within the meaning of section 141 of the Code.

SECTION 20: Control and Custody of Notes. The President, Board of Trustees 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 and shall take and have charge and control of the Notes pending their approval by the Attorney General, the registration thereof by the Comptroller of Public Accounts and the delivery of the Notes to the Purchasers.

Furthermore, any Authorized Official, or the District's Bond Counsel, either or all, are hereby authorized and directed to furnish and execute such documents relating to the District and its financial affairs as may be necessary for the issuance of the Notes, the approval of the Attorney General and their registration by the Comptroller of Public Accounts and, together with the District's financial advisors, Bond Counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of the Initial Note to the Purchasers and the initial exchange thereof for definitive Notes.

SECTION 21: Satisfaction of Obligation of District. If the District 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 Notes, at the times and in the manner stipulated in this Resolution, then the pledge of taxes levied under this Resolution and all covenants, agreements, and other obligations of the District to the Holders shall thereupon cease, terminate, and be discharged and satisfied.

Notes, 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 Notes or the principal amounts thereof at Stated Maturity, 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 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 Notes, or the principal amount(s) thereof, on and prior to the Stated Maturity thereof. In the event of a defeasance of the Notes, the District 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 Notes. As and to the extent applicable, if at all, the District 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 Notes to be treated as arbitrage bonds within the meaning of section 148 of the Code (as defined in Section 18).

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 Notes, or any principal amounts thereof, or interest thereon with respect to which such money has been so deposited shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Notes and remaining unclaimed for a period of three (3) years after the Stated Maturity of the Notes such money was deposited and is held in trust to pay shall, upon the request of the District, be remitted

to the District against a written receipt therefor, subject to the unclaimed property laws of the State of Texas.

SECTION 22: Printed Opinion. The Purchasers' obligation to accept delivery of the Notes is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, San Antonio, Texas, as Bond Counsel, approving certain legal matters as to the Notes, said opinion to be dated and delivered as of the date of initial delivery and payment for such Notes. Printing of a true and correct copy of said opinion on the reverse side of each of said Notes, with appropriate certificate pertaining thereto executed by facsimile signature of the Secretary, Board of Trustees of the District is hereby approved and authorized.

SECTION 23: CUSIP Numbers. CUSIP numbers, if any, may be printed or typed on the definitive Notes. It is expressly provided, however, that the presence or absence of CUSIP numbers on the definitive Notes shall be of no significance or effect as regards the legality thereof, and neither the District nor attorneys approving said Notes as to legality are to be held responsible for CUSIP numbers incorrectly printed or typed on the definitive Notes.

SECTION 24: Effect of Headings. The Section headings herein are for convenience only and shall not affect the construction hereof.

SECTION 25: Resolution a Contract - Amendments - Outstanding Notes. The District acknowledges that the covenants and obligations of the District herein contained are a material inducement to the purchase of the Notes. This Resolution shall constitute a contract with the Holders from time to time, shall be binding on the District and its successors and assigns, and shall not be amended or repealed by the District so long as any Note remains Outstanding except as permitted in this Section. The District may, without the consent of or notice to any Holders, from time to time and at any time, amend this Resolution 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 District may, with the written consent of Holders holding a majority in aggregate principal amount of the Notes then Outstanding affected thereby, amend, add to, or rescind any of the provisions of this Resolution; provided that, without the consent of all Holders of Outstanding Notes, 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 Notes, reduce the principal amount thereof, 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 Notes, (2) give any preference to any Note over any other Note, or (3) reduce the aggregate principal amount of Notes required for consent to any such amendment, addition, or rescission.

SECTION 26: Benefits of Resolution. Nothing in this Resolution, expressed or implied, is intended or shall be construed to confer upon any person other than the District, Bond Counsel, Paying Agent/Registrar, and the Holders, any right, remedy, or claim, legal or equitable, under or by reason of this Resolution or any provision hereof, this Resolution and all its provisions being intended to be and being for the sole and exclusive benefit of the District, Bond Counsel, the Paying Agent/Registrar, and the Holders.

SECTION 27: Inconsistent Provisions. All orders and resolutions, or parts thereof, which are in conflict or inconsistent with any provision of this Resolution are hereby repealed to the

extent of such conflict, and the provisions of this Resolution shall be and remain controlling as to the matters ordered herein.

SECTION 28: Construction of Terms. If appropriate in the context of this Resolution, 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 Resolution 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 Resolution or the application thereof to any person or circumstance shall be held to be invalid, the remainder of this Resolution and the application of such provision to other persons and circumstances shall nevertheless be valid, and the Board of Trustees hereby declares that this Resolution would have been enacted without such invalid provision.

SECTION 31: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Resolution for all purposes and are adopted as a part of the judgment and findings of the Board of Trustees.

SECTION 32: Authorization of Paying Agent/Registrar Agreement. The Board hereby finds and determines that it is in the best interest of the District to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, registration, and transferability of the Notes. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Resolution.

SECTION 33: Public Meeting. It is officially found, determined, and declared that the meeting at which this Resolution is finally adopted was open to the public and public notice of the time, place, and subject matter of the public business to be considered at such meeting, including this Resolution, was given, all as required by Chapter 551, as amended, Texas Government Code.

SECTION 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 Resolution shall be given in such other manner and at such time or times as in the judgment of the District 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 Resolution be deemed to be in compliance with the requirements for publication thereof.

SECTION 35: No Recourse Against District Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Note or for any claim based thereon or on this Resolution against any official of the District or any person executing any Note.

SECTION 36: Continuing Disclosure Undertaking.

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

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

SEC means the United States Securities and Exchange Commission.

The Notes are being sold pursuant to a private placement with the Purchasers, generally in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof, to less than thirty-five sophisticated investors, and therefore SEC Rule 15c2-12 is not applicable to the offering of the Notes. Accordingly, no contract to provide continuing disclosure information after the issuance of the Notes has been made by the District with investors.

SECTION 37: Book-Entry Only System.

The Notes may 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 Notes shall be issued (following cancellation of the Initial Note described in Section 7) in the form of a separate single definitive Note. Upon issuance, the ownership of each such Note shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Notes shall be registered in the name of Cede & Co., as the nominee of DTC. The District 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 C (the *Representation Letter*).

With respect to the Notes registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Notes 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 Notes (an *Indirect Participant*). Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Notes, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Notes, as shown on the Security Register, of any notice with respect to the Notes, 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 Note, of any amount with respect to principal of, premium, if any, or interest on the Notes. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive a Note evidencing the obligation of the District to make payments of principal, premium, if any, or interest on the Notes pursuant to this Resolution. 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 Resolution with respect to interest checks or drafts being mailed to the Holder, the word "Cede & Co." in this Resolution shall refer to such new nominee of DTC.

In the event that (a) the District 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 District determines that it is in the best interest of the beneficial owners of the Notes that they be able to obtain certificated Notes, the District shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of Note certificates, and the Notes shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the District may determine that the Notes shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the District, or such depository's agent or designee, and if the District and the Paying Agent/Registrar do not select such alternate securities depository system then the Notes may be registered in whatever name or names the Holders of Notes transferring or exchanging the Notes shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Resolution to the contrary, so long as any Note 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 Note and all notices with respect to such Note shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 38: Further Procedures. The officers and employees of the District are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution, the initial sale and delivery of the Notes, the Purchase Contract, and the Paying Agent/Registrar Agreement. In addition, prior to the initial delivery of the Notes, any Authorized Official and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized and approved by this Resolution necessary in order to correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution. In case any officer of the District whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 39: Accounting Reports. The District shall, upon request provide annually to the Purchasers, for so long as it is the holder of the Notes, within 270 days after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the District; provided that such financial statements so to be provided shall be (1) prepared in accordance with the generally accepted accounting principles, or such other accounting principles as the District may be required to employ from time to time pursuant to Texas law or regulations, and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the District shall provide (1) unaudited financial statements for the applicable fiscal year within 180 days after the end of such fiscal year, and (2) audited financial statements for the applicable fiscal year to the Purchasers when and if the audit report on such statements become available.

SECTION 40: Contracts with Financial Advisor and/or Bond Counsel. The Board authorizes any Authorized Official, or their designee thereof, to take all actions necessary to execute any necessary financial advisory contracts with Live Oak Public Finance, LLC, as the financial advisor to the District (the *Financial Advisor*). The District understands that under applicable federal securities laws and regulations that the District must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Notes. In addition, the Board also authorizes any Authorized Official, or the designee thereof, to take all actions necessary to execute any necessary engagement agreement with Norton Rose Fulbright US LLP, as Bond Counsel to the District.

SECTION 41: District's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the District hereby consents to and authorizes any Authorized Official, Bond Counsel to the District, and/or Financial Advisor to the District to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Notes; provided, however, that no such information and documentation shall be provided prior to the 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 Notes.

SECTION 42: Effective Date. This Resolution shall be in force and effect from and after its final passage, and it is so resolved.

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PASSED AND ADOPTED on the 21st day of November, 2019.

LEXINGTON INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(DISTRICT SEAL)

INDEX TO EXHIBITS

Exhibit A Paying Agent/Registrar Agreement
Exhibit B Purchase Contract
Exhibit C DTC Letter of Representations

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. __

EXHIBIT B

Purchase Contract

See Tab No. __

EXHIBIT C

DTC Letter of Representations

N/A

AN ORDER APPROVING AND AUTHORIZING THE EXECUTION AND DELIVERY OF “LEXINGTON INDEPENDENT SCHOOL DISTRICT TIME WARRANTS, SERIES 2019”; SPECIFYING THE TERMS OF SUCH TIME WARRANTS; MAKING PROVISIONS FOR THE PAYMENT THEREOF; AND RESOLVING OTHER MATTERS INCIDENT AND RELATED TO THE EXECUTION, PERFORMANCE, AND PAYMENT OF SUCH TIME WARRANTS; AUTHORIZING THE EXECUTION OF A PAYING AGENT/REGISTRAR AGREEMENT AND A PURCHASE AND INVESTMENT LETTER; COMPLYING WITH THE REQUIREMENTS OF THE LETTER OF REPRESENTATIONS WITH THE DEPOSITORY TRUST COMPANY; AND PROVIDING AN EFFECTIVE DATE

WHEREAS, the Board of Trustees (the *Board*) of the Lexington Independent School District (the *District*) hereby finds and determines that time warrants in an amount not to exceed \$1,000,000 designated as “Lexington Independent School District Time Warrants, Series 2019”, dated November 15, 2019 (the *Obligations*) should be issued for the purpose of providing funds for (i) to construct, repair, or renovate school buildings, and school equipment, or equip school properties; and (ii) paying the costs of issuance relating to the *Obligations*; and

WHEREAS, the Board hereby finds and determines that, upon issuance, the *Obligations* are the only time warrants of the District that will be outstanding; and

WHEREAS, the Board hereby finds and determines that the aggregate principal amount of the *Obligations*, their scheduled principal maturity schedule, and the assessed valuation of the District do not exceed the limits established by Section 45.103(c), as amended, Texas Education Code (the *Act*); and

WHEREAS, pursuant to the terms of a Purchase and Investment Letter executed by _____, _____, _____ (the *Purchasers*), the *Obligations* shall be sold to the *Purchasers* on the terms and subject to the conditions described herein and therein; and

WHEREAS, the provisions of Section 45.103(a) and (d) of the *Act* provide that the *Obligations* may be payable from the District’s unintended surplus maintenance and operations tax, from the first payment of any of the District’s lawfully available funds, and from any delinquent maintenance and operations taxes of the District; and

WHEREAS, the District has been informed by bond counsel that the provisions of Attorney General Opinion H-339 (1974) can be read to limit the District’s ability to only pledge surplus maintenance taxes, or to use any other lawfully available funds to pay off the debt service requirements on the *Obligations*; and

WHEREAS, based upon this advice, the District has provided in this Order that the *Obligations* are payable in a manner consistent with the provisions of Attorney General Opinion H-339; and

WHEREAS, the Board hereby finds and determines that the issuance of the Obligations is in the best interests of the residents of the District; now, therefore,

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

SECTION 1: Contract Authorization - Obligation Amount - Property Identification. Time warrants of the District shall be and are hereby authorized to be issued in the aggregate principal amount of \$1,000,000 to be designated and bear the title “Lexington Independent School District Time Warrants, Series 2019”, for the purpose of providing funds for (i) to construct, repair, or renovate school buildings, purchase school buildings and school equipment, or equip school properties; and (ii) paying the costs of issuance relating to the Obligations; pursuant to the authority conferred by and in conformity with the laws of the State of Texas, including Section 45.103 of the Texas Education Code, as amended.

SECTION 2: Fully Registered Form - Obligation Date - Authorized Amounts - Installment Payments - Interest Rate. The Obligations shall be made, executed, and delivered in fully registered form, bear a date of November 15, 2019 (the *Obligation Date*), and shall be generally in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof (within an Installment Amount), shall be lettered “R-” and numbered consecutively from one (1) upward and principal (the *Installment Amounts*) shall become due and payable on August 15 in each of the years (the *Payment Dates*) and bear interest on the unpaid principal amounts from the date of physical delivery of the Initial Obligation in exchange for the payment of the agreed purchase price for the Obligations (the *Closing Date*, anticipated to occur on or about December 17, 2019), 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 of the Installment Amount, at the per annum rates, while Outstanding, in accordance with the following schedule:

<u>Payment Dates</u>	<u>Installment Amounts (\$)</u>	<u>Interest Rates (%)</u>
2020	1,000	
2021	55,000	
2022	57,000	
2023	59,000	
2024	61,000	
2025	64,000	
2026	66,000	
2027	69,000	
2028	72,000	
2029	75,000	
2030	78,000	
2031	81,000	
2032	84,000	
2033	87,000	
2034	91,000	

Interest on the unpaid Installment Amounts shall accrue from the Closing Date or from the most recent Interest Payment Date to which interest has been paid or duly provided for to a

Payment Date of an Installment Amount or prior redemption, at the rates per annum shown in the above schedule, calculated on the basis of a 360-day year of twelve 30 day months, and such interest shall be payable on February 15 and August 15 in each year (each, an *Interest Payment Date*), commencing August 15, 2020.

SECTION 3: Terms of Payment-Paying Agent/Registrar.

The principal on each Obligation and the interest thereon shall be payable at maturity, redemption, or otherwise only to the registered owner or person (hereinafter called the *Holder*) appearing on the registration and transfer books (the *Obligation Register*) maintained by the Paying Agent/Registrar, and such principal and the interest payable thereon shall be payable in 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 and without exchange or collection charges to the Holder.

The selection and appointment of _____, _____, _____, to serve as the initial Paying Agent/Registrar for the Obligations is hereby approved and confirmed. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Obligations are paid and discharged, and any successor Paying Agent/Registrar shall be a bank, trust company, financial institution, or other entity qualified to perform the duties and services of Paying Agent/Registrar. Upon any change in the Paying Agent/Registrar for the Obligations, the District agrees to promptly cause a written notice thereof to be sent to each Holder by United States mail, first-class postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

The principal amount of the Obligations shall be payable when due only upon the presentation and surrender of the Obligations at the corporate trust office of the Paying Agent/Registrar (provided, however, with respect to principal payments prior to the Payment Date of the final Outstanding Installment Amount, the Obligations need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar). Interest on the Obligations shall be paid to the registered owners which appear in the Obligation Register at the close of business on the Record Date (the last business day of the month next preceding each interest payment date) and shall be paid by the Paying Agent/Registrar (i) by check sent United States mail, first-class postage prepaid, to the address of the Holder recorded in the Obligation Register or (ii) by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. The District and the Paying Agent/Registrar, and any agent of either, shall treat the Holders as the owner of an Obligation for purposes of receiving payment and all other purposes whatsoever, and neither the District nor the Paying Agent/Registrar, or any agent of either, shall be affected by notice to the contrary. If the date for the payment of an Installment Amount or interest thereon shall be a Saturday, Sunday, a legal holiday, or a day when banking institutions in the city where 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, and payment on such date shall have the same force and effect as if made on the original date payment 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 (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 Obligation Register at the close of business on the last business day next preceding the date of mailing of such notice.

SECTION 4: Redemption.

A. Mandatory Redemption of Obligations. The Notes stated to mature on August 15, 20__ are referred to herein as the "Term Obligations". The Term Obligations are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Obligation 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 February 15 in each of the years as set forth below:

Term Ob
Stated to Mature
on August 15, 20__

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
-------------	----------------------------------	-------------	----------------------------------

*Payable at Stated Maturity.

The principal amount of a Term Obligation required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Obligations 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 Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Obligation 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. The Obligations having Payment Dates of an Installment Amount on or after August 15, 2027, shall be subject to redemption prior to the Payment Date of an Installment Amount, at the option of the District, on August 15, 2026, in whole, in principal amounts of \$1,000 or any integral multiple thereof (and if within an Installment Amount 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 Obligations (unless a shorter notification period shall be satisfactory to the Paying Agent/Registrar), the District shall notify the Paying Agent/Registrar of its decision to exercise the right to redeem the Obligations, the principal amount of each Installment Amount to be redeemed, and the date set for the redemption thereof. The decision of the District to exercise the right to redeem the Obligations shall be entered in the minutes of the Board of the District.

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

E. Notice of Redemption. Not less than thirty (30) days prior to the redemption date for the Obligations, 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 District and at the District's expense, by the Paying Agent/Registrar to each Holder of an Obligation 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 Obligations, (ii) identify the Obligations 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 Obligations, 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 Obligations, 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 an Obligation 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 Obligation (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 Obligations (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 Obligation (or the principal amount thereof to be redeemed) called for redemption shall cease to accrue and such Obligations shall not be deemed to be Outstanding.

F. Transfer/Exchange of Obligations. Neither the District nor the Paying Agent/Registrar shall be required to transfer or exchange any Obligations 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 an Obligation which is subject to partial redemption.

SECTION 5: Assignment - Registration - Transfer - Exchange of Obligations. An Obligation Register relating to the registration, payment, and assignment and transfer or exchange of the Obligations shall at all times be kept and maintained on behalf of the District at the corporate trust office of the Paying Agent/Registrar, as provided herein and in accordance with the provisions of a Paying Agent/Registrar Agreement in substantially the form of Exhibit A attached hereto and incorporated by reference for all purposes and such further rules and regulations as the Paying Agent/Registrar and the District may prescribe. The Paying Agent/Registrar shall obtain, record, and maintain in the Obligation Register the name and address of every Holder of an Obligation executed and delivered under and pursuant to the provisions of this Order, or if appropriate, the nominee thereof. Any Obligation may be assigned, transferred, or exchanged for Obligations of other authorized amounts bearing the same interest rate by the Holder, in person or by his duly authorized agent, upon surrender of such Obligation to the Paying Agent/Registrar for cancellation, accompanied by a written instrument of assignment and transfer or request for exchange duly executed by the Holder or by his duly authorized agent, in form satisfactory to the Paying Agent/Registrar.

Any Obligation to be assigned and transferred shall be surrendered to the Paying Agent/Registrar at its corporate trust office and, upon its receipt and cancellation, the Paying Agent/Registrar shall register and deliver, in the name of the designated assignee or transferee, one or more new Obligations of authorized amounts and, except for the assignment and transfer of the Initial Obligation by the Purchasers, having the same Payment Date and of a like aggregate principal amount as the Obligation or Obligations surrendered for assignment and transfer.

Obligations may be exchanged for Obligations of other authorized amounts and, excluding the exchange of the Initial Obligation governed by Section 7, having the same Payment Date, bearing the same rate of interest, and of like aggregate principal amount as the Obligations surrendered for exchange, upon surrender of the Obligations to be exchanged to the Paying Agent/Registrar at its corporate trust office. Whenever any Obligations are surrendered for exchange, the Paying Agent/Registrar shall register and deliver new Obligations to the Holder requesting the exchange.

When an Obligation has been duly assigned and transferred or exchanged, the new Obligation or Obligations registered in such assignment and transfer or exchange shall be delivered to the Holder at the corporate trust office of the Paying Agent/Registrar or sent by United States mail, first-class, postage prepaid to the Holder, and, upon the registration and delivery thereof, such Obligations shall be the valid obligations of the District, evidencing the same obligation to pay, and entitled to the same benefits under this Order, as the Obligations surrendered in such assignment and transfer or exchange.

All transfers or exchanges of Obligations pursuant to this Section shall be made without expense or service charge to the Holder, except as otherwise herein provided, 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.

Obligations canceled by reason of an exchange or transfer pursuant to the provisions hereof are hereby defined to be *Predecessor Obligations*, evidencing all or a portion, as the case may be, of the same obligation to pay evidenced by the new Obligation or Obligations registered and delivered in the exchange or transfer therefor. Additionally, the term Predecessor Obligations shall include any mutilated, lost, destroyed, or stolen Obligation for which a replacement Obligation has been registered and delivered in lieu thereof pursuant to the provisions of Section 11, and such new replacement Obligation shall be deemed to evidence the same obligation as the mutilated, lost, destroyed, or stolen Obligation.

SECTION 6: Execution - Registration. The Obligations shall be executed on behalf of the District by the President, Board of Trustees with the seal of the District reproduced or impressed thereon and attested by the Secretary, Board of Trustees. The signature of such officers on the Obligations may be manual or facsimile. Obligations bearing the manual or facsimile signatures of the persons holding such offices on the Obligation Date shall be deemed to be duly executed on behalf of the District, notwithstanding a change in persons holding such offices at the time of delivery of the Obligations to the Purchasers and with respect to Obligations delivered in subsequent assignments and transfers or exchanges, all as authorized and provided in Chapter 1201, as amended, Texas Government Code.

No Obligation shall be entitled to any right or benefit under this Order, or be valid or obligatory for any purpose, unless the registration certificate appearing on the Obligations to be signed by the Comptroller of Public Accounts of the State of Texas (substantially in the form provided in Section 8C) and/or the Paying Agent/Registrar (substantially in the form provided in Section 8D) as the case may be, are manually executed by an authorized officer, employee, or representative of the Comptroller of Public Accounts and/or the Paying Agent/Registrar, and such registration certificate, either or both, upon any Obligation when duly executed by the Comptroller of Public Accounts and/or the Paying Agent/Registrar, as the case may be, shall be conclusive evidence, and the only evidence, that such Obligation has been duly certified, registered, and delivered.

SECTION 7: Initial Obligation. The Obligations herein authorized shall be initially executed and delivered as a single fully-registered Obligation in the principal amount of \$1,000,000 with Installment Amounts to become due and payable as provided in Section 2 and numbered T-1 and registered in the name of the Purchasers or the designee thereof (the *Initial Obligation*). The Initial Obligation shall be 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 Obligation, the Paying Agent/Registrar shall cancel such obligation and exchange therefor Obligations of authorized amounts and in Installment Amounts with Payment Dates 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 and such other information and documentation as the Paying Agent/Registrar may reasonably require.

SECTION 8: Forms.

A. Forms Generally. The Obligations, 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 the Obligations 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 insurance legends in the event the Obligations or any Installment Amounts thereof are insured, and 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 Obligations or any Installment Amounts thereof are insured, and any reproduction of Bond Counsel (hereinafter referenced)) thereon as may, consistently herewith, be determined by the officers executing and delivering such Obligations as evidenced by their execution.

The Obligations shall be printed, lithographed, or engraved or produced in any other similar manner, all as determined by the officers executing such Obligations as evidenced by their execution, but the single fully registered obligation authorized in Section 7 may be typewritten, photocopied, or otherwise reproduced.

[The remainder of this page intentionally left blank.]

B. Form of General Obligation

REGISTERED
NO. _____

REGISTERED
INSTALLMENT AMOUNT
\$ _____

United States of America
State of Texas
Counties of Lee, Bastrop, Milam, and Williamson
LEXINGTON INDEPENDENT SCHOOL DISTRICT
TIME WARRANTS,
SERIES 2019

Obligation Date:
November 15, 2019

Interest Rate:

Payment Date:

CUSIP No.

REGISTERED OWNER: _____

INSTALLMENT AMOUNT: _____ AND NO/100 DOLLARS

The Lexington Independent School District (the *District*), a body corporate and a political subdivision located in the Counties of Lee, Bastrop, Milam, and Williamson, Texas, hereby agrees and promises to pay to the order of the Registered Owner named above, or the registered assigns thereof (the *Holder*), the Installment Amount hereinabove stated on the Payment Date specified above (or so much thereof as shall not have been paid upon prior redemption), and to pay interest on such unpaid Installment Amount from the Closing Date (anticipated to occur on or about December 17, 2019), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the Payment Date of an Installment Amount, to the earlier of redemption of the Installment Amount therefor, 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 on February 15 and August 15 in each year (each, an *Interest Payment Date*), commencing August 15, 2020.

The Installment Amount is payable on the Payment Date noted above to the Registered Owner upon presentation and surrender of this Obligation (provided, however, with respect to principal payments prior to the payment of the final Outstanding Installment Amount, the Obligations need not be surrendered to the Paying Agent/Registrar, who will merely document this payment on an internal ledger maintained by the Paying Agent/Registrar) at the corporate trust office of _____, _____, _____ (the *Paying Agent/Registrar*), executing the registration certificate appearing hereon, or its successor. Interest is payable to the Holder of this obligation (or one or more Predecessor Obligations, as defined in the Order hereinafter referenced) who appears on the Obligation Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding each interest payment date, and interest shall be paid by the Paying Agent/Registrar by check sent by United States mail, first-class postage prepaid, to the address of such Holder recorded in the Obligation Register or by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Holder. The Installment Amount

of this Obligation and interest thereon shall be paid without exchange or collection charges to the Holder and 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.

This Obligation is one of a series specified in its title aggregating in amount \$1,000,000 (the *Obligations*), executed and delivered for the purpose of providing funds for (i) to construct, repair, or renovate school buildings, purchase school buildings and school equipment, or equip school properties and (ii) paying the costs of issuance relating to the Obligations, under and in strict conformity with the laws of the State of Texas, particularly Section 45.103, as amended, Texas Education Code, and pursuant to an Order adopted by the Board of Trustees of the District (the *Order*).

The Obligations stated to mature on August 15, 20__ are referred to herein as the “Term Obligations”. The Term Obligations are subject to mandatory sinking fund redemption prior to their stated maturities from money required to be deposited in the Obligation 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 each of the years as set forth below:

Term Notes
Stated to Mature
on August 15, 20__

<u>Year</u>	<u>Principal Amount (\$)</u>	<u>Year</u>	<u>Principal Amount (\$)</u>
2021	198,000	2027	240,000
2022	218,000	2028	245,000
2023	222,000	2029	250,000
2024	227,000	2030	255,000
2025	231,000	2031	260,000
2026	236,000	2032*	266,000

*Payable at Stated Maturity.

The principal amount of a Term Obligation required to be redeemed pursuant to the operation of such mandatory redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Obligations 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 Issuer and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer with money in the Obligation 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 Obligations having Payment Dates of an Installment Amount on or after August 15, 2027, shall be subject to redemption prior to the Payment Date of an Installment Amount, at the option of the District, on August 15, 2026, in whole or in part, in

principal amounts of \$1,000 or any integral multiple thereof (and if within an Installment Amount 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.

If this Note shall have been duly called for redemption and notice of such redemption duly given, then upon such redemption date this Note 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 hereon from and after the redemption date on the principal amount hereof to be redeemed.

The Obligations are payable from the first payment of any lawfully available funds of the District. The Holder of the Obligations shall not have the right to demand payment thereof out of any fund or funds of the District other than those pledged to their repayment.

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 the acceptance hereof hereby agrees, for definitions of terms; the description of and the nature and extent of the taxes pledged for the payment of the Obligations; the terms and conditions relating to the assignment and transfer of this Obligation; the conditions upon which the Order may be amended or supplemented with or without the consent of the District and the Holder; the rights, duties, and obligations of the District and the Paying Agent/Registrar; the terms and provisions upon which this Obligation may be redeemed or discharged at or prior to its Payment Date, and the obligations evidenced by the Obligations cease to exist as an obligation of the District; and for other terms and provisions contained therein. Capitalized terms used herein have the meanings assigned in the Order.

This Obligation, subject to certain limitations contained in the Order, may be assigned and transferred on the Obligation Register 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 registered party hereof, or his duly authorized agent. When a transfer on the Obligation Register occurs, one or more new fully registered Obligations with the same Payment Date, in authorized amounts, bearing the same rate of interest, and of the same aggregate Installment Amount, will be delivered by the Paying Agent/Registrar to the designated assignee or assignees.

The District and the Paying Agent/Registrar, and any agent of either, shall treat the registered party whose name appears on the Obligation Register (i) on the Record Date as the Holder entitled to payment of interest hereon, (ii) on the date of surrender of this Obligation as the Holder entitled to payment of the Installment Amount on the Payment Date or redemption date, in whole or in part, and (iii) on any date as the Holder to notify for all other purposes, and neither the District 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. 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 Obligation Register at the close of business on the last business day next preceding the date of mailing of such notice.

It is hereby certified, recited, represented, and declared that the District is a body corporate and a political subdivision duly organized and legally existing under and by virtue of the laws of the State of Texas; that the execution and delivery of the Obligations is duly authorized by law; that all acts, conditions, and things required to exist and be done precedent to and in the execution and delivery of the Obligations to render the same lawful and valid obligations of the District 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; and that due provision has been made for the payment of the Obligations and interest thereon as aforesated. In case any provision in this Obligation shall be invalid, illegal, or unenforceable, the validity, legality, and enforceability of the remaining provisions shall not in any way be affected or impaired thereby. The terms and provisions of this Obligation and the Order shall be construed in accordance with and shall be governed by the laws of the State of Texas.

IN WITNESS WHEREOF, the Board of Trustees of the District has caused this Obligation to be duly executed under the official seal of the District as of the Obligation Date.

LEXINGTON INDEPENDENT SCHOOL
DISTRICT

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees

(SEAL)

C. Form of Registration Certificate of Comptroller of Public Accounts to appear on Single Fully Registered Obligation delivered to the Purchasers.

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 Obligation 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 Obligations

D. Form of Certificate of Paying Agent/Registrar to appear on Obligations.

REGISTRATION CERTIFICATE OF PAYING AGENT/REGISTRAR

This Obligation has been duly delivered and registered under the provisions of the within-mentioned Order; the contract or contracts initially executed and delivered by the District have 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: _____,
_____, as Paying Agent/Registrar

By: _____
Authorized Signature

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 Obligation and all rights thereunder, and hereby irrevocably constitutes and appoints
_____ attorney to transfer the within Obligation 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 Obligation in every particular.

Signature guaranteed:

F. The Initial Obligation shall be in the form set forth in paragraph B of this Section, except that the form of the single fully registered Initial Obligation shall be modified as follows:

- (i) immediately under the name of the bond the headings “Interest Rate _____” and “Payment Date _____” shall both be completed “as shown below”;
- (ii) the first two paragraphs shall read as follows:

The Lexington Independent School District (the *District*), a body corporate and a political subdivision located in the Counties of Lee, Bastrop, Milam, and Williamson, 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, on the fifteenth day of August in each of the years and in principal amounts and bearing interest at per annum rates in accordance with the following schedule:

<u>Payment Dates</u>	<u>Installment Amounts (\$)</u>	<u>Interest Rates (%)</u>
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(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 Installment Amounts hereof from the Closing Date (anticipated to occur on or about December 17, 2019), or from the most recent Interest Payment Date (hereinafter defined) to which interest has been paid or duly provided for until the respective Payment Dates of such Installment Amounts, to the earlier of redemption of the Installment Amounts, 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 on February 15 and August 15 in each year (each, an *Interest Payment Date*), commencing August 15, 2020.

Principal of this Obligation shall be payable to the Holder hereof, upon presentation and surrender, to the Payment Date of an Installment Amount or prior redemption, while Outstanding,

at the corporate trust office of _____, _____, _____ (the *Paying Agent/Registrar*). Interest shall be payable to the Holder of this Obligation whose name appears on the Obligation Register maintained by the Paying Agent/Registrar at the close of business on the Record Date, which is the last business day of the month next preceding the Interest Payment Date. All payments of principal of, premium, if any, and interest on this Obligation 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 Obligation Register or by such other method, acceptable to the Paying Agent/Registrar, requested by the Holder hereof at the Holder's risk and expense.

G. Insurance Legend. If bond insurance is obtained by the Purchasers or the District, the Printed Obligations and the Initial Obligation shall bear an appropriate legend as provided by the bond insurer to appear under the following header:

[INSURANCE LEGEND]

SECTION 9: Obligation Fund. For the purpose of paying the principal of, and interest on and to provide a sinking fund for the payment, redemption, and retirement of, the Obligations, there shall be and is hereby created a special Fund to be designated "SPECIAL SERIES 2019 INTEREST AND SINKING FUND" (the *Obligation Fund*), which Fund shall be kept and maintained at the District's depository bank, and money deposited in such Fund shall be used for no other purpose and shall be maintained as provided in Section 14.

SECTION 10: Payment of Obligations – Limitation of Holder's Rights – Investments – Excess Proceeds. To provide for the payment of Obligations, the District pledges and provides that such payment shall be derived from any lawfully available District funds. In accordance with the provisions of Section 45.103(a) of the Act, the District covenants that it will use the first lawfully available funds of the District to pay the debt service requirements on the Obligations which may be scheduled to become due in any fiscal year. Any surplus maintenance taxes shall be applied for the payment of debt service requirements on the Obligations only after all maintenance requirements for the school year have been met and any such amount shall be deposited into the Obligation Fund. This use of unintended surplus maintenance taxes shall be valid and legally binding without any physical delivery or further act by the District.

The Holder of the Obligations shall not have the right to demand payment thereof out of any fund or funds of the District other than those provided herein to their repayment.

Authorized representatives of the District, being the President, Board of Trustees, Secretary, Board of Trustees, or the Superintendent of Schools (the "Authorized Official"), are hereby authorized and directed to cause to be transferred to the Paying Agent/ Registrar, from funds on deposit in the Obligation Fund, amounts sufficient to fully pay and discharge promptly the amount of principal and/or interest falling due on the Obligations as the same accrues or become due and payable, such transfer of funds to be made in such manner as will cause collected funds to be deposited with the Paying Agent/Registrar on or before the last business day next preceding each interest and principal payment date for the Obligations.

Pending the transfer of funds to the Paying Agent/Registrar, money in any fund or account created pursuant to the provisions of this Order may, at the option of the District, be placed in time deposits or certificates of deposit, guaranteed investment contracts, or similar contractual agreements as permitted by the provisions of the Public Funds Investment Act, Chapter 2256, as amended, 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 in the Obligation Fund shall be made in such a manner that the money required to be expended from the Obligation Fund will be available at the proper time or times. All interest and income derived from deposits and investments in any fund or account shall be credited to, and any losses debited to, such fund or account. All such investments shall be sold promptly when necessary to prevent any default in connection with the Obligations.

Accrued interest, if any, received from the Purchasers shall be deposited to the Obligation Fund and unintended surplus maintenance tax revenues (subject to the first paragraph of this Section) shall be deposited to the Obligation Fund. In addition, any surplus proceeds, including investment income therefrom, from the sale of the Obligations not expended for authorized purposes shall be deposited in the Obligation Fund, and such amounts so deposited shall reduce the sum otherwise required to be deposited in the Obligation Fund.

SECTION 11: Mutilated - Destroyed - Lost and Stolen Obligations. In case an Obligation shall be mutilated, or destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Obligation of like form and tenor, and in the same authorized amount and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Obligation, or in lieu of and in substitution for such destroyed, lost, or stolen Obligation, only after (i) the filing by the Holder with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Obligation, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the District and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution, and delivery of a replacement Obligation shall be borne by the Holder of the Obligation mutilated, or destroyed, lost, or stolen.

Every replacement Obligation issued pursuant to this Section shall be a valid and binding obligation and shall be entitled to all the benefits of this Order equally and ratably with all other Outstanding Obligations; notwithstanding the enforceability of payment by anyone of the destroyed, lost, or stolen Obligations.

SECTION 12: Satisfaction of Obligation of District. If the District shall pay or cause to be paid, or there shall otherwise be paid to the Holder the principal of, premium, if any, and interest on the Obligations, at the times and in the manner stipulated in this Order, then all covenants, agreements, and other obligations of the District to the Holder shall thereupon cease, terminate, and be discharged and satisfied.

Obligations, or any principal amount(s) 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 Obligations or the principal amount(s) thereof at the respective Payment Date, 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, 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 Obligations, or the principal amounts thereof, on and prior to the Payment Date 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 Obligations. In the event of a defeasance of the Obligations, the District 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 Obligation. As and to the extent applicable, if at all, the District 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 Obligations to be treated as arbitrage bonds within the meaning of section 148 of the Internal Revenue Code of 1986, as amended, or regulations adopted pursuant thereto.

Any money so deposited with the Paying Agent/Registrar, or an authorized escrow agent, 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 in excess of the amounts required for the payment of the Obligations in accordance with the defeasance provisions shall be remitted to the District or deposited as directed by the District. Furthermore, any money held by the Paying Agent/Registrar for the payment of the principal of and interest on the Obligations and remaining unclaimed for a period of three (3) years after the Payment Date of the Obligations, or applicable redemption date of the Obligations, such money was deposited and is held in trust to pay shall, upon the request of the District, be remitted to the District 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 Obligations that is made in conjunction with the payment arrangements specified in subsection (i) or (ii) above shall not be irrevocable, provided that: (1) in the proceedings providing for such defeasance, the District expressly reserves the right to call the defeased Obligations for redemption; (2) gives notice of the reservation of that right to the owners of the defeased Obligations 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 Obligations, after taking the redemption into account in determining the sufficiency of the provisions made for the payment of the defeased Obligations.

The term *Government Securities*, as used herein, 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 Obligations.

SECTION 13: Order an Obligation - Amendments - Outstanding Obligations. This Order shall constitute an agreement with the Holder from time to time, be binding on the District, and shall not be amended or repealed by the District so long as any of the Obligations remain Outstanding except as permitted in this Section. The District may, without the consent of or notice to any Holder, from time to time and at any time, amend this Order in any manner not detrimental to the interests of the Holder, including the curing of any ambiguity, inconsistency, or formal defect or omission herein. In addition, the District may, with the written consent of Holders holding a majority in aggregate principal amount of the Obligations 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 Obligations, no such amendment, addition, or rescission shall (1) extend the time or times of payment of the principal of and interest on the Obligations, reduce the principal amount of, the redemption price for, or the rate of interest on, or in any other way modify the terms of payment of the principal amount of, the redemption price for, or the rate of interest on the Obligations, (2) give any preference to any Obligation over any other Obligation, or (3) reduce the aggregate principal amount of Obligations required to be held for consent to any such amendment, addition, or rescission.

The term *Outstanding* when used in this Order with respect to Obligations means, as of the date of determination, all Obligations theretofore delivered and registered under this Order, except:

- (1) those Obligations canceled or delivered to the Paying Agent/Registrar for cancellation;
- (2) those Obligations for which the Installment Amounts and all interest payable thereon has been paid or is deemed to be fully paid in accordance with the provisions of Section 12; and

(3) those mutilated, destroyed, lost, or stolen Obligations for which replacement obligations have been registered and delivered in lieu thereof as provided in Section 11.

SECTION 14: Covenants to Maintain Tax-Exempt Status.

A. Definitions. When used in this Section, the following terms have the following meanings:

Code means the Internal Revenue Code of 1986, as amended by all legislation, if any, effective on or before the Closing Date.

Closing Date shall mean the date of physical delivery of the Initial Obligation in exchange for the payment of the agreed purchase price for the Obligations.

Computation Date has the meaning set forth in Section 1.148-1(b) of the Regulations.

Gross Proceeds means any proceeds as defined in Section 1.148-1(b) of the Regulations, and any replacement proceeds as defined in Section 1.148-1(c) of the Regulations, of the Obligations.

Investment has the meaning set forth in Section 1.148-1(b) of the Regulations.

Maintenance Tax Notes means the Lexington Independent School District Maintenance Tax Notes Series, 2019, dated November 19, 2019 in the aggregate principal amount of \$2,500,000, issued concurrently with the Obligations.

Nonpurpose Investment means any investment property, as defined in section 148(b) of the Code, in which Gross Proceeds of the Obligations are invested and which is not acquired to carry out the governmental purposes of the Obligations.

Rebate Amount has the meaning set forth in Section 1.148-1(b) of the Regulations.

Regulations means any proposed, temporary, or final Income Tax Regulations issued pursuant to sections 103 and 141 through 150 of the Code, and 103 of the Internal Revenue Code of 1954, which are applicable to the Obligations. Any reference to any specific Regulation shall also mean, as appropriate, any proposed, temporary or final Income Tax Regulation designed to supplement, amend or replace the specific Regulation referenced.

Yield of

(1) any Investment has the meaning set forth in Section 1.148-5 of the Regulations; and

(2) the Obligations, combined with the Maintenance Tax Notes as a single issue, has the meaning set forth in Section 1.148-4 of the Regulations.

B. Not to Cause Interest to Become Taxable. The District shall not use, permit the use of, or omit to use Gross Proceeds or any other amounts (or any property the acquisition, construction or improvement of which is to be financed directly or indirectly with Gross Proceeds) in a manner which if made or omitted, respectively, would cause the interest on any Obligations to become includable in the gross income, as defined in section 61 of the Code, of the owner thereof for federal income tax purposes. Without limiting the generality of the foregoing, unless and until the District receives a written opinion of counsel nationally recognized in the field of municipal bond law to the effect that failure to comply with such covenant will not adversely affect the exemption from federal income tax of the interest on any Obligation, the District shall comply with each of the specific covenants in this Section.

C. No Private Use or Private Payments. Except to the extent it will not cause the Obligations to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the District shall at all times prior to the payment of the final Outstanding Installment Amount of the Obligations:

(1) exclusively own, operate and possess all property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with Gross Proceeds of the Obligations, and not use or permit the use of such Gross Proceeds (including all contractual arrangements with terms different than those applicable to the general public) or any property acquired, constructed or improved with such Gross Proceeds in any activity carried on by any person or entity (including the United States or any agency, department and instrumentality thereof) other than a state or local government, unless such use is solely as a member of the general public; and

(2) not directly or indirectly impose or accept any charge or other payment by any person or entity who is treated as using Gross Proceeds of the Obligations or any property the acquisition, construction or improvement of which is to be financed or refinanced directly or indirectly with such Gross Proceeds, other than taxes of general application within the District or interest earned on investments acquired with such Gross Proceeds pending application for their intended purposes.

D. No Private Loan. Except to the extent that it will not cause the Obligations to become “private activity bonds” within the meaning of section 141 of the Code and the Regulations and rulings thereunder, the District shall not use Gross Proceeds of the Obligations to make or finance loans to any person or entity other than a state or local government. For purposes of the foregoing covenant, such Gross Proceeds are considered to be “loaned” to a person or entity if (1) property acquired, constructed or improved with such Gross Proceeds is sold or leased to such person or entity in a transaction which creates a debt for federal income tax purposes (2) capacity in or service from such property is committed to such person or entity under a take-or-pay, output or similar contract or arrangement; or (3) indirect benefits, or burdens and benefits of ownership, of such Gross Proceeds or any property acquired, constructed or improved with such Gross Proceeds are otherwise transferred in a transaction which is the economic equivalent of a loan.

E. Not to Invest at Higher Yield. Except to the extent it will not cause the Obligations to become “arbitrage bonds” within the meaning of section 148 of the Code and the Regulations and rulings thereunder, the District shall not at any time prior to the final payment of the Obligations

directly or indirectly invest Gross Proceeds in any Investment, if as a result of such investment the Yield of any Investment acquired with Gross Proceeds, whether then held or previously disposed of, materially exceeds the Yield of the Obligations.

F. Not Federally Guaranteed. Except to the extent permitted by section 149(b) of the Code and the Regulations and rulings thereunder, the District shall not take or omit to take any action which would cause the Obligations to be federally guaranteed within the meaning of section 149(b) of the Code and the Regulations and rulings thereunder.

G. Information Report. The District shall timely file the information required by section 149(e) of the Code with the Secretary of the Treasury on Form 8038-G or such other form and in such place as the Secretary may prescribe.

H. Rebate of Arbitrage Profits. Except to the extent otherwise provided in section 148(f) of the Code and the Regulations and rulings thereunder or except to the extent the District complies with Subsection J of this Section:

(1) The District shall account for all Gross Proceeds (including all receipts, expenditures and investments thereof) on its books of account separately and apart from all other funds (and receipts, expenditures and investments thereof) and shall retain all records of accounting for at least six years after the day on which the last Outstanding Obligation is discharged. However, to the extent permitted by law, the District may commingle Gross Proceeds of the Obligations with other money of the District, provided that the District separately accounts for each receipt and expenditure of Gross Proceeds and the obligations acquired therewith.

(2) Not less frequently than each Computation Date, the District shall calculate the Rebate Amount in accordance with rules set forth in section 148(f) of the Code and the Regulations and rulings thereunder. The District shall maintain such calculations with its official transcript of proceedings relating to the issuance of the Obligations until six years after the final Computation Date.

(3) As additional consideration for the purchase of the Obligations by the Purchasers and the loan of the money represented thereby and in order to induce such purchase by measures designed to insure the excludability of the interest thereon from the gross income of the owners thereof for federal income tax purposes, the District shall pay to the United States out of the Obligation Fund or its general fund, as permitted by applicable Texas statute, regulation or opinion of the Attorney General of the State of Texas, the amount that when added to the future value of previous rebate payments made for the Obligations equals (i) in the case of a Final Computation Date as defined in Section 1.148-3(e)(2) of the Regulations, one hundred percent (100%) of the Rebate Amount on such date; and (ii) in the case of any other Computation Date, ninety percent (90%) of the Rebate Amount on such date. In all cases, the rebate payments shall be made at the times, in the installments, to the place and in the manner as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder, and shall be accompanied by Form 8038-T or such other forms and information as is or may be required by section 148(f) of the Code and the Regulations and rulings thereunder.

(4) The District shall exercise reasonable diligence to assure that no errors are made in the calculations and payments required by paragraphs (2) and (3), and if an error is made, to discover and promptly correct such error within a reasonable amount of time thereafter (and in all events within one hundred eighty (180) days after discovery of the error), including payment to the United States of any additional Rebate Amount owed to it, interest thereon, and any penalty imposed under Section 1.148-3(h) of the Regulations.

I. Not to Divert Arbitrage Profits. Except to the extent permitted by section 148 of the Code and the Regulations and rulings thereunder, the District shall not, at any time prior to the payment of the final Outstanding Installment Amount of the Obligations, enter into any transaction that reduces the amount required to be paid to the United States pursuant to Subsection H of this Section because such transaction results in a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the Yield of the Obligations not been relevant to either party.

J. No Rebate Required. The District need not comply with the covenants and duties imposed by the provisions of Subsection H. of this Section if:

(1) the District is a governmental unit with general taxing powers;

(2) 95% of the Net Proceeds of the Obligations and all income from the investment thereof will be used for the governmental activities of the District;

(3) the aggregate face amount, within the meaning of Section 1.148-8(c)(1) of the Regulations, of all debt obligations (other than private activity bonds) issued or expected to be issued by the District or any subordinate entity in the calendar year in which the Obligations are issued is not reasonably expected to exceed \$5,000,000, plus the lesser of (i) \$10,000,000 and (ii) so much of the aggregate face amount of bonds that are attributable to financing "construction" (as defined in section 148(f)(4)(C)(iv) of the Code) of public school facilities; and

(4) the District otherwise satisfies the requirements of paragraph (4)(c) of section 148(f) of the Code and Section 1.148-8 of the Regulations and rulings thereunder.

K. Obligations Not Hedge Bonds.

(1) The District reasonably expects to spend at least 85% of the spendable proceeds of the Obligations within three years after such Obligations are issued.

(2) Not more than 50% of the proceeds of the Obligations will be invested in Nonpurpose Investments having a substantially guaranteed Yield for a period of 4 years or more.

L. Elections. The District hereby directs and authorizes any authorized official, being the President, Board of Trustees, Secretary, Board of Trustees, or the Superintendent of Schools, any combination of the foregoing, to make such elections in the Certificate as to Tax Exemption or similar or other appropriate certificate, form, or document permitted or required pursuant to the

provisions of the Code or the Regulations, as they deem necessary or appropriate in connection with the Obligations. Such elections shall be deemed to be made on the Closing Date.

M. Qualified Tax-Exempt Obligations. The District hereby designates the Obligations as *qualified tax-exempt obligations* for purposes of section 265(b) of the Code. In furtherance of such designation, the District represents, covenants and warrants the following: (a) during the calendar year in which the Obligations are issued, the District (including any subordinate entities) has not designated nor will designate obligations, which when aggregated with the Obligations, will result in more than \$10,000,000 of “qualified tax-exempt obligations” being issued; (b) the District reasonably anticipates that the amount of tax-exempt obligations issued during the calendar year 2019 by the District (including any subordinate entities) will not exceed \$10,000,000; and (c) the District will take such action or refrain from such action as is necessary in order that the Obligations will not be considered “private activity bonds” within the meaning of section 141 of the Code.

SECTION 15: Purchasers - Sale of Obligations - Authorization of Execution of Purchase and Investment Letter - Use of Proceeds. The Obligations herein authorized shall be initially executed and delivered _____, _____, _____ (the *Purchasers*) against payment of the aggregate principal amount of \$1,000,000, and no accrued interest. The Initial Obligation shall be registered in the name of _____. Delivery of the Obligations shall be made to the Purchasers as soon as practicable after the adoption of this Order, upon payment therefor in accordance with the terms of sale established in a Purchase and Investment Letter dated November 21, 2019 (the *Purchase Contract*), 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 Obligations are hereby found and determined to be the most advantageous reasonably obtainable by the District. The President and/or Secretary of the Board of Trustees are hereby authorized and directed to execute the Purchase Contract for and on behalf of the District and as the act and deed of the Board of Trustees and in regard to the approval and execution of the Purchase Contract, the Board of Trustees hereby finds, determines, and declares that the representations, warranties, and agreements of the District contained in the Purchase Contract are true and correct in all material respects and shall be honored and performed by the District.

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

(1) Accrued interest, if any, received from the Purchasers shall be deposited into the Obligation Fund.

(2) The balance of the proceeds derived from the sale of the Obligations (after paying costs of issuance) shall be deposited into the special acquisition account or accounts created for the personal property, real property, and facilities to be purchased, acquired, or financed with the proceeds of the Obligations. This special acquisition account shall be established and maintained at the District’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 Obligations pending disbursement 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 amount shall be expended in accordance with Section 10.

SECTION 16: Control and Custody of Records and Obligation Documents. The President of the Board of Trustees and the Superintendent of Schools, respectively, of the District shall be and is hereby authorized to take and have charge and control of all necessary orders, records, proceedings, including the Obligations, pending the investigation and approval of such documents by the Attorney General of the State of Texas, the registration of the Obligations by the Comptroller of Public Accounts and their delivery to the Purchasers.

Furthermore, the President and the Secretary of the Board of Trustees, the Superintendent of Schools, and the District's legal advisor, any one or more of said officials, are hereby authorized and directed to furnish and execute such documents and certifications relating to the District and the execution and delivery of the Obligations, including certifications as to facts, estimates, circumstances and reasonable expectations pertaining to the use, expenditure and investment of the proceeds thereof, as may be necessary for the approval of the Attorney General, the registration by the Comptroller of Public Accounts and the delivery of the Obligations to the Purchasers, and, together with the District's financial advisor, bond counsel, and the Paying Agent/Registrar, make the necessary arrangements for the delivery of such obligations to the Purchasers.

SECTION 17: Notices to Contracting Parties - Waiver. Wherever this Order provides for notice to the Holder 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 appearing in the Obligation Register at the close of business on the business day next preceding the mailing of such notice.

In any case in which notice to the Holder is given by mail, neither the failure to mail such notice to any particular Holder, nor any defect in any notice so mailed, shall affect the sufficiency of such notice with respect to all other Obligations. Whenever 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 a Holder 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 18: Security for Funds. All money on deposit in the funds or accounts 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 the State of Texas for the security of public funds, and money on deposit in such Funds shall be used only for the purposes permitted by this Order.

SECTION 19: Cancellation. All Obligations 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 District, shall be delivered to the Paying Agent/Registrar and, if not already canceled, shall be promptly canceled by the Paying Agent/Registrar. The District may at any time deliver to the Paying Agent/Registrar for cancellation any Obligations previously certified or registered and delivered which the District may have acquired in any manner whatsoever, and all Obligations so delivered shall be promptly canceled by the Paying Agent/Registrar. All canceled Obligations held by the Paying Agent/Registrar shall be destroyed as directed by the District.

SECTION 20: Remedies in Event of Default. In addition to all the rights and remedies provided by the laws of the State of Texas, the District covenants and agrees particularly that in the event the District (a) defaults in the payments to be made to the Obligation Fund, or (b) defaults in the observance or performance of any other of the covenants, conditions, or obligations set forth in this Order, the Holder shall be entitled to a writ of mandamus issued by a court of proper jurisdiction compelling and requiring the Board and other officers of the District 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 21: Printed Opinion. The Purchasers' obligation to accept delivery of the Obligations is subject to its being furnished a final opinion of Norton Rose Fulbright US LLP, as bond counsel (*Bond Counsel*), approving certain legal matters pertaining to the Obligations, said opinion to be dated and delivered as of the date of initial delivery and payment for the Obligations. Printing of a true and correct reproduction of said opinion on the reverse side of each of the Obligations, with an appropriate certificate pertaining thereto executed by the facsimile signature of the Secretary, Board of Trustees, is hereby approved and authorized.

SECTION 22: CUSIP Numbers. CUSIP numbers, if any, may be printed or typed on the Obligations. It is expressly provided, however, that the presence or absence of CUSIP numbers on the Obligations shall be of no significance or effect as regards the legality thereof, and neither the District nor Bond Counsel are to be held responsible for CUSIP numbers incorrectly printed or typed on the Obligations.

SECTION 23: Benefits of Order. Nothing in this Order, expressed or implied, is intended or shall be construed to confer upon any person other than the District, Bond Counsel, the Paying Agent/Registrar, and the Holder 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 District, Bond Counsel, the Paying Agent/Registrar, and the Holder.

SECTION 24: Inconsistent Provisions. All orders or resolutions, 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 contained herein.

SECTION 25: Governing Law. This Order and the Obligations authorized to be executed and delivered hereunder shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

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

SECTION 27: 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 28: Severability. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and the Board hereby declares that this Order would have been enacted without such invalid provision.

SECTION 29: 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 30: Incorporation of Preamble Recitals. The recitals contained in the preamble hereof 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 Board.

SECTION 31: Authorization of Paying Agent/Registrar Agreement. The Board of Trustees of the District hereby finds and determines that it is in the best interest of the District to authorize the execution of a Paying Agent/Registrar Agreement concerning the payment, exchange, and transferability of the Obligations. A copy of the Paying Agent/Registrar Agreement is attached hereto, in substantially final form, as Exhibit A and is incorporated by reference to the provisions of this Order.

SECTION 32: 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 District 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 33: 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 Resolution shall be given in such other manner and at such time or times as in the judgment of the District 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 Resolution be deemed to be in compliance with the requirements for publication thereof.

SECTION 34: No Recourse Against District Officials. No recourse shall be had for the payment of principal of, premium, if any, or interest on any Obligation or for any claim based thereon or on this Order against any official of the District or any person executing any Obligation.

SECTION 35: Continuing Disclosure Undertaking.

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

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

SEC means the United States Securities and Exchange Commission.

The Obligations are being sold pursuant to a private placement with the Purchasers, generally in denominations of \$100,000 or any integral multiple of \$1,000 in excess thereof, to less than thirty-five sophisticated investors, and therefore SEC Rule 15c2-12 is not applicable to the offering of the Obligations. Accordingly, no contract to provide continuing disclosure information after the issuance of the Obligations has been made by the District with investors.

SECTION 36: Book-Entry Only System.

The Obligations may 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 Payment Date of the Obligations shall be issued (following cancellation of the Initial Obligation described in Section 7) in the form of a separate single definitive Obligation. Upon issuance, the ownership of each such Obligation shall be registered in the name of Cede & Co., as the nominee of DTC, and all of the Outstanding Obligations shall be registered in the name of Cede & Co., as the nominee of DTC. The District 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 C (the *Representation Letter*).

With respect to the Obligations registered in the name of Cede & Co., as nominee of DTC, the District and the Paying Agent/Registrar shall have no responsibility or obligation to any broker-dealer, bank, or other financial institution for which DTC holds the Obligations 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 Obligations (an *Indirect Participant*). Without limiting the immediately preceding sentence, the District and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co., or any Depository Participant with respect to any ownership interest in the Obligations, (ii) the delivery to any Depository Participant or any other person, other than a registered owner of the Obligations, as shown on the Security Register, of any notice with respect to the Obligations, 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 an Obligation, of any amount with respect to principal of, premium, if any, or interest on the Obligations. While in the DTC System, no person other than Cede & Co., or any successor thereto, as nominee for DTC, shall receive an Obligation evidencing the obligation of the District to make payments of principal, premium, if any, or interest on the Obligations 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 District 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 District determines that it is in the best interest of the beneficial owners of the Obligations that they be able to obtain certificated Obligations, the District shall notify the Paying Agent/Registrar, DTC, and the Depository Participants of the availability within a reasonable period of time through DTC of bond certificates, and the Obligations shall no longer be restricted to being registered in the name of Cede & Co., as nominee of DTC. At that time, the District may determine that the Obligations shall be registered in the name of and deposited with a successor depository operating a securities depository system, as may be acceptable to the District, or such depository's agent or designee, and if the District and the Paying Agent/Registrar do not select such alternate securities depository system then the Obligations may be registered in whatever name or names the Holders of Obligations transferring or exchanging the Obligations shall designate, in accordance with the provisions hereof.

Notwithstanding any other provision of this Order to the contrary, so long as any Obligation 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 Obligation and all notices with respect to such Obligation shall be made and given, respectively, in the manner provided in the Representation Letter.

SECTION 37: Further Procedures. The officers and employees of the District are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the initial sale and delivery of the Obligations, the Paying Agent/Registrar Agreement, and the Purchase Contract. In addition, prior to the initial delivery of the Obligations, the President and Secretary of the Board, the Superintendent of Schools, and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Order or to any of the instruments authorized and approved by this Order necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Order, (ii) obtain a rating from any of the national bond rating agencies, or (iii) obtain the approval of the Obligations by the Texas Attorney General's office. In case any officer of the District whose signature shall appear on any certificate shall cease to be such officer before the delivery of such certificate, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

SECTION 38: Accounting Reports. The District shall provide annually to the Purchasers, for so long as it is the holder of the Obligations, within 180 days after the end of each fiscal year ending in or after 2020, financial information and operating data with respect to the District; provided that such financial statements so to be provided shall be (1) prepared in accordance with the generally accepted accounting principles, or such other accounting principles as the District may be required to employ from time to time pursuant to Texas law or regulations, and (2) audited, if the District commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete

within such period, then the District shall provide (1) unaudited financial statements for the applicable fiscal year within six months after the end of such fiscal year, and (2) audited financial statements for the applicable fiscal year to the Purchasers when and if the audit report on such statements become available.

SECTION 39: Contracts with Financial Advisor and/or Bond Counsel. The Board authorizes any Authorized Official, or their designee thereof, to take all actions necessary to execute any necessary financial advisory contracts with Live Oak Public Finance, LLC, as the financial advisor to the District (the *Financial Advisor*). The District understands that under applicable federal securities laws and regulations that the District must have a contractual arrangement with its Financial Advisor relating to the sale, issuance, and delivery of the Notes. In addition, the Board also authorizes any Authorized Official, or the designee thereof, to take all actions necessary to execute any necessary engagement agreement with Norton Rose Fulbright US LLP, as Bond Counsel to the District.

SECTION 40: District's Consent to Provide Information and Documentation to the Texas MAC. The Municipal Advisory Council of Texas (the *Texas MAC*), a non-profit membership corporation organized exclusively for non-profit purposes described in section 501(c)(6) of the Internal Revenue Code and which serves as a comprehensive financial information repository regarding municipal debt issuers in Texas, requires provision of written documentation regarding the issuance of municipal debt by the issuers thereof. In support of the purpose of the Texas MAC and in compliance with applicable law, the District hereby consents to and authorizes any Authorized Official, Bond Counsel to the District, and/or financial advisor to the District to provide to the Texas MAC information and documentation requested by the Texas MAC relating to the Obligations; 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 Obligations.

SECTION 41: Effective Date. This Order shall be in force and effect from and after its final passage, and it is so ordered.

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* * * *

PASSED AND ADOPTED, this 21st day of November, 2019.

LEXINGTON 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.....	DTC Letter of Representations

EXHIBIT A

Paying Agent/Registrar Agreement

See Tab No. ____

EXHIBIT B

Purchase Contract

See Tab No. ____

EXHIBIT C

DTC Letter of Representations

See Tab No. ____