

# Agenda of Board Workshop Meeting

## The Board of Trustees Ector County Independent School District

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A Board Workshop Meeting of the Board of Trustees of Ector County Independent School District will be held August 12, 2025, beginning at 6:00 PM.

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

1. Call to Order - Roll Call
2. Verification of Compliance with Open Meeting Law - this is to certify that the provisions of Section 551.001 of the Texas Government code have been met in connection with public notice of this meeting.
3. Opening Remarks by Superintendent
4. Welcome by Board of Trustees Officer
5. Public Comment
6. Board Policy
  - A. Discussion of TASB Board Policy Update 125 3
  - B. Discussion of Revisions to Local Board Policy: EFB (LOCAL):  
Instructional Resources: Library Materials 29
  - C. Discussion of Revisions to Local Board Policy: FD (LOCAL):  
Admissions 38
  - D. Discussion of Revisions to Local Board Policy: FNCE (LOCAL):  
Student Conduct: Personal Telecommunications/Electronic Devices 42
7. Bond Discussion
  - A. Discussion of Preliminary 2023 Bond Financing Plan 44
  - B. Discuss and Take Action to Adopt an Order Authorizing the Issuance of up to \$128,033,000 Ector County Independent School District Unlimited Tax School Building Bonds, Series 2025 for Purposes Approved by Voters at November 7, 2023 Bond Election; Establishing Sale Parameters; Authorizing the Execution of a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Approving an Official Statement; Levying Annual Ad Valorem Taxes in Payment of said Bonds; and Enacting other Provisions Relating to the Subject 69
8. Report/Discussion Items
  - A. Update on State of Texas Assessments of Academic Readiness (STAAR) Results for the 2024-2025 School Year 97
9. Possible Request for Approval to Move to Closed Meeting - Personnel Matters - Section 551.074 of the Texas Government Code [Board will deliberate the appointment, employment, evaluation, reassignment, duties, discipline, or dismissal of public employees

of the District, or hear a complaint or charge against an officer or employee.]

Consultations with Attorney - Section 551.071 of the Texas Open Meetings Act [The Board will meet in Closed Session in Consultation with the Board's Attorney Regarding all Matters as Authorized by Law.]

10. Closing Remarks by Superintendent

11. Adjournment



## **DISCUSSION OF TASB BOARD POLICY UPDATE 125**

### **BDAA: Officers and Officials, Duties and Requirements of Board Officers**

In BDAA(LOCAL), a sentence at the beginning of the policy stating that the board may assign a district employee to provide clerical assistance is recommended for removal. As is the practice in most districts, the superintendent manages the assignment of staff and would determine the employee who would provide clerical support to the board.

If your board's practice is for the vice president to automatically fill a vacancy created in the office of board president, new language is recommended to clarify that the vice president will serve in the role of board president until the board reorganizes and holds new officer elections.

### **BDB: Board Internal Organization, Board Committees**

Substantial revisions are recommended to BDB(LOCAL), and those revisions coordinate with BDF(LOCAL), which is also included in this update.

First, the policy subtopic name has been changed to Board Committees to better capture the content of the policy. The recommendations provide additional guidance to the board in forming committees and include text to address the dissolving of any board committee. Because this policy code is intended to address committees that are composed only of board members, the text addressing special committees is recommended for placement at BDF(LOCAL).

### **BDF: Board Internal Organization, Advisory Committees**

For most districts, BDF(LOCAL) is a new policy recommended for inclusion in your policy manual. For those that already had BDF(LOCAL), revisions are recommended to the existing policy. The new policy language provides guidance on the formation of advisory committees composed of staff, parents, community members, or students. These committees could also include board members in a number less than a quorum. The remainder of the policy aligns with BDB(LOCAL) on board committees. The language addresses dissolving advisory committees and reporting committee recommendations to the board.

## **EI: Academic Achievement**

In policy EI(LOCAL), the minor change at Partial Credit is recommended to more accurately reflect that whether a student receives partial credit is based on the average of both halves of a two-semester course rather than the combined grade. For example, if a student receives a grade of 70 in the first semester of a course and a 60 in the second semester, the overall average for the course is 65. Based on the policy language, the student would receive credit for the first semester and would need to retake the second semester of the course. This would be the practice in a district that has decided to award partial credit.

## **FDE: Admissions, School Safety Transfers**

In FDE(LOCAL), “bullying” has been added to the list of offenses for which a district must gather data for purposes of the Unsafe School Choice Option. According to the Unsafe School Choice Option Guidance Handbook, published by the Texas Education Agency, a student who is the victim of bullying is eligible for a school safety transfer.

## **FEC: Attendance, Attendance for Credit**

The revisions to FEC(LOCAL) are recommended to better align with practices that are common in most districts. The policy now authorizes the establishment of attendance committees rather than having committee membership appointed by the board. At Methods for Regaining Credit or Awarding a Final Grade, the specific deadline for submitting a petition for credit or a final grade is recommended for deletion and replaced with a reference to administrative regulations. Lastly, at Imposing Conditions for Awarding Credit or a Final Grade, the revised text clarifies that the district is not required to assign seat time equivalent to the time the student has been absent.



# Update 125 Local Policy Overview

- Revisions are recommended to 5 local policies.
- 1 new local policy is recommended for adoption.

# BDAA (LOCAL)

## OFFICERS AND OFFICIALS – DUTIES AND REQUIREMENTS OF BOARD OFFICERS

- At Board Officers, the sentence indicating that the board may assign a district employee to provide clerical assistance is recommended for deletion since the superintendent, rather than the board, manages staff assignments.

### Board Officers

The Board shall elect a President, a Vice President, and a Secretary who shall be members of the Board. ~~The Board may assign a District employee to provide clerical assistance to the Board.~~ Officers shall be elected by majority vote of the members present and voting.

# **BDB (LOCAL)**

## **BOARD INTERNAL ORGANIZATION – BOARD COMMITTEES**

- Revised in coordination with BDF (LOCAL) to clarify differences between board committees and advisory committees.
- Subtopic of this code has been changed from Internal Committees to Board Committees
- New language is recommended to establish how board committees are formed and outline their purpose.
- Text addressing dissolution of board committees is also recommended for inclusion.
- Language previously at Special Committees has been moved to BDF (LOCAL).

# **BDF (LOCAL)**

## **BOARD INTERNAL ORGANIZATION – ADVISORY COMMITTEES**

- New policy is recommended for inclusion to coordinate with changes at BDB.
- Language has been moved here from BDB (LOCAL) and updated to clarify how advisory committees are formed and the parameters of their responsibilities.
- A section on Dissolution of the committees is also recommended for inclusion.

# EI (LOCAL)

## ACADEMIC ACHIEVEMENT

- At Partial Credit, recommended revisions replace the phrase “combined grade for” with “average of” to more accurately reflect the determination of awarding credit when a student earns a passing grade in only half a course.

### **Partial Credit**

When a student earns a passing grade in only half of a course and the ~~combined grade for~~ average of both halves is lower than 70, the District shall award the student credit for the half with the passing grade.

# FDE (LOCAL)

## ADMISSIONS – SCHOOL SAFETY TRANSFERS

- At Safe Schools Data, “bullying” is recommended for inclusion as an offense for which the district must collect and maintain data for purposes of the Unsafe School Choice Option.
- According to the Unsafe School Choice Option Handbook, published by TEA, a student who is the victim of bullying is eligible for a school safety transfer.

# FEC (LOCAL)

## ATTENDANCE – ATTENDANCE FOR CREDIT

- Revisions throughout this policy are recommended for clarity.
- The information in the first sentence of the policy has been incorporated at Absences Considered for improved readability. Rather than directing the board to establish attendance committees, the policy now authorizes the establishment of those committees by the administration.
- At Parental Notice of Excessive Absences, petitions for credit are recommended for deletion in favor of a reference to administrative regulations.
- Revisions at Imposing Conditions for Awarding Credit for a Final Grade are recommended to clarify that the district is not required to assign seat time equivalent to the time the student has been absent.

# **POLICY REVISIONS PROMPTED BY THE 89<sup>TH</sup> LEGISLATIVE SESSION**

# EFB (LOCAL)

## INSTRUCTIONAL RESOURCES: LIBRARY MATERIALS

- SB 13 changes how library materials are selected and challenged.
- The school district's board of trustees must adopt a formal policy for the acquisition of library materials by September 1, 2025.
- Administration will continue to utilize the library material advisory committee that has been in place the last couple of years. Library materials may be challenged by parents/guardians similar to the way that they have been in the past.
- Biggest change is the role of the board of trustees in approving the adoption and acquisition of new library materials. Board will have a role during the appeal process for library material challenges.

# FD (LOCAL)

## ADMISSIONS

- Under SB 401, a district that decides to prohibit homeschool students from participating in extracurricular activities through the district must adopt a policy indicating such by September 1, 2025.
- Our current policy addresses this topic, but we will add clarifying language as a precaution:

### **Students Not Enrolled**

A student enrolled in a private school, including a homeschool, shall not be eligible for concurrent enrollment in the District nor for participation in curricular or extracurricular activities **including UIL activities**, except as required by law. [See EEL and FM]

# **FNCE (LOCAL)**

## **STUDENT CONDUCT: PERSONAL TELECOMMUNICATIONS / ELECTRONIC DEVICES**

- HB 1481 requires school districts to prohibit student use of personal communication devices at school during the school day.
- ECISD will prohibit students from using these devices, and students will be responsible for appropriately storing them.
- The ECISD Code of Conduct will address student consequences for not following this new rule.

# QUESTIONS

OFFICERS AND OFFICIALS  
DUTIES AND REQUIREMENTS OF BOARD OFFICERS

BDAA  
(LOCAL)

<b>Board Officers</b>	The Board shall elect a President, a Vice President, and a Secretary who shall be members of the Board. <del>The Board may assign a District employee to provide clerical assistance to the Board.</del> Officers shall be elected by majority vote of the members present and voting.
Vacancy	A vacancy among officers of the Board shall be filled by majority action of the Board.
<b>Term and Duties</b>	Board officers shall serve for a term of <del>one year</del> <b>one year</b> or until a successor is elected. Officers may succeed themselves in office. Each officer shall perform any legal duties of the office and other duties as required by action of the Board.
President	In addition to the duties required by law, the President of the Board shall: <ol style="list-style-type: none"><li>1. Preside at all Board meetings unless unable to attend.</li><li>2. Have the right to discuss, make motions <del>and</del>, <b>propose</b> resolutions, and vote on all matters coming before the Board.</li></ol>
Vice President	The Vice President of the Board shall: <ol style="list-style-type: none"><li>1. Act in the capacity and perform the duties of the President of the Board in the event of the absence or incapacity of the President.</li><li>2. Become President only upon being elected to the position.</li></ol>
Secretary	The Secretary of the Board shall: <ol style="list-style-type: none"><li>1. Ensure that an accurate record is kept of the proceedings of each Board meeting.</li><li>2. Ensure that notices of Board meetings are posted and sent as required by law.</li><li>3. In the absence of the President and Vice President, call the meeting to order and act as presiding officer.</li><li>4. Sign or countersign documents as directed by action of the Board.</li></ol>

**Special Committees**

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~~The President shall appoint members to special~~**Note:** For advisory committees created by the Board to fulfill specific assignments, unless otherwise provided that include staff, parents, community members, or students, see BDF.

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**Board Committees**

For purposes of this policy, a Board committee is a committee composed only of current Board members.

Formation of a Board committee shall be by Board action. ~~These committees may include District personnel~~When establishing a Board committee, the Board action shall, at a minimum, specify the:

- Number of Board members on the committee;
- Process to appoint Board members to the committee;
- Term of committee membership; and ~~citizens. The function of committees~~
- Responsibilities of the committee.

A Board committee shall be fact-finding, deliberative, and advisory, ~~but not administrative. Special~~and shall make recommendations in the areas of their responsibility. Board committees shall report their findings and recommendations to the Board and shall ~~be dissolved upon completion of the assigned task or vote of the Board~~not assume administrative duties or responsibilities.

~~The President of the Board and the Superintendent shall be ex officio members of all Board committees, unless otherwise provided by Board action.~~

Transacting  
Business

~~Committees may transact business only within the specific authority granted~~Unless specified by the Board. ~~To be binding, all such business,~~ a Board committee shall not have final decision-making authority. Board committee recommendations must be reported to the Board at ~~the next~~ regular or special meeting ~~for approval and entry into the minutes as a public record.~~ The Board shall not accept a Board committee's recommendation without due consideration of the matter.

Dissolution

A Board committee shall be dissolved upon Board action.

**Board Governance**

The Board shall detail and operate a collaborative structure that provides a venue by which to address matters of Board governance. When working with District leadership and staff, the Board collaborative teams shall serve in an advisory capacity but shall not

control or supervise District business, resources, or policy. The collaborative structure shall include a governance team comprised of Board officers. Should a Board officer be unable to serve, a replacement shall be appointed by the Board President in collaboration with the Superintendent. The Board governance team shall appoint high needs priority collaborative teams comprised of Board members to address matters of Board governance. Board members shall be approached by the Board President and asked to serve on a given high needs priority collaborative team. Board members can accept or decline collaborative team membership. In the same manner, the Board President shall approach Board members to chair collaborative teams.

Governance Team

Headed by the Board President, in collaboration with the Superintendent and two Board officers, the Board governance team shall be responsible for the effective functioning of the following:

1. Keeping the Board governing mission updated, facilitating and coordinating Board member participation, and monitoring the performance of the Board in relation to assigned governance roles.
2. Recommending revisions to the Board procedures manual in the interest of stronger governance of District priority areas.
3. Developing and overseeing execution of a formal Board member capacity building program, in accordance with applicable state law and regulations, including such elements as orientation of new members, continuing education and training, and a mentoring program pairing new members with senior Board members.
4. Recommending to the Board positions on legislative issues.
5. Overseeing the development and implementation of legislative/governmental relations, policies, and strategies.
6. Serving as the audit committee, in an advisory and recommendatory capacity to the full Board, which shall include the full Board selecting the internal auditor and the internal auditor reporting directly to the Board.
7. Overseeing the internal audit function, including reviewing and recommending to the Board the yearly internal audit program/plan.
8. Overseeing the external audit function, including reviewing and recommending to the full Board the external audit firm selection process as recommended by the Superintendent and

recommending to the full Board selection of the external audit firm on the recommendation of the Superintendent.

High Needs Priority Collaborative Teams

As circumstances arise that require specific Board governance, a high needs priority collaborative team shall assume an advisory function but does not control or supervise District business, resources, or policy. The specific role of a high needs priority collaborative team shall be defined by the Board President in collaboration with the Superintendent. The scope of work shall be further defined by District leadership. High needs priority collaborative teams shall meet with appropriate District leadership until the scope of work has been completed and information is at a point that it is to be shared with the Board in quorum in a Board workshop or special meeting.

The following guidelines shall apply:

1. The Superintendent shall appoint a staff liaison for each high needs priority collaborative team.
2. The Superintendent shall cite the liaison's role as well as assign the responsibility for scheduling and coordinating all meetings and agenda with the high needs priority collaborative team chair.
3. The Superintendent shall ensure the priority team liaison actively collaborates with the priority team chair regarding the structure for educating all Board members on priority work information.
4. Whenever a high needs priority collaborative team believes that the full Board should be involved in-depth in dealing with an issue, the District-assigned liaison shall take the initiative in reporting the findings to the Superintendent.
5. The Superintendent shall recommend that a special full Board work session be held or additional work be performed by the priority team to be reported back to the high needs priority collaborative team. Should such occur, the District-assigned liaison shall notify the high needs priority team chair regarding a need for further study and work. After additional work and study are completed, the revised information will be taken to the Superintendent. This process shall repeat itself until a recommendation is made for full Board presentation.
6. The high needs priority team chair and liaison shall determine the format and structure for the presentation of information to the full Board during a workshop and/or regularly scheduled Board meeting.

7. The high needs priority team chair and liaison shall track each high needs priority item/initiative from inception to completion by assuming the role of planning and development when appropriate and by assuming the role of performance monitoring/external relations as the item/initiative evolves or changes.
8. Each high needs priority collaborative team fully understands its role as an advisory body that does not have formal authority until the Board acts in quorum. The role of each high needs priority team shall be to provide feedback prior to formal Board presentation.
9. Each high needs priority collaborative team can assume further advisory functions after the full Board, in quorum, approves or denies the proposal.
10. Each high needs priority collaborative team chair, in collaboration with the assigned liaison, can recommend that further information be reviewed prior to a recommendation that an item go before the full Board in quorum.
11. The assigned liaison, in collaboration with the assigned chair, shall document progress and actions after each meeting and action occurs.

Governance and  
High Needs Priority  
Collaborative Team  
Roles

The governance and high needs collaborative priority teams shall serve in an advisory capacity and shall not make decisions on any matter. The governance and high needs collaborative priority teams do not control or supervise District business, resources, or policy.

BOARD INTERNAL ORGANIZATION  
ADVISORY COMMITTEES

BDF  
(LOCAL)

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**Note:** For committees composed only of current Board members, see BDB.

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**Advisory  
Committees**

For purposes of this policy, an advisory committee is a committee composed primarily of District staff, parents, other community members, and/or students. An advisory committee may also include Board members in numbers less than a quorum of the Board.

Formation of an advisory committee shall be by Board action. When establishing an advisory committee, the Board action shall, at a minimum, specify the:

- Number of members on the committee;
- Process to appoint members to the committee;
- Term of committee membership; and
- Responsibilities of the committee.

An advisory committee shall be fact-finding, deliberative, and advisory and shall not assume administrative duties or responsibilities. Advisory committees shall report their findings and recommendations to the Board.

**Transacting  
Business**

An advisory committee may transact business only within the specific authority granted by the Board. To be binding, all such committee recommendations must be reported to the Board at a regular or special meeting for approval and entry into the minutes as a public record.

**Dissolution**

An advisory committee shall be dissolved upon completion of the assigned task or Board action.

ACADEMIC ACHIEVEMENT

EI  
(LOCAL)

**Certificate of Coursework Completion**

The District shall issue a certificate of coursework completion to a student who has successfully completed state and local credit requirements for graduation but has failed to meet all applicable state testing requirements. [See EIF, FMH]

**Partial Credit**

When a student earns a passing grade in only half of a course and the ~~combined grade for~~ average of both halves is lower than 70, the District shall award the student credit for the half with the passing grade.

**Granting of Credit**

The District shall offer a student the following options to receive course credit for graduation, if all other conditions are satisfied:

1. Passing a one-semester course.
2. Two-semester average of a full-year course is greater than or equal to a grade of 70.
3. Credit by examination.
4. Passing an approved correspondence course.

**Safe Schools Data**

The Superintendent shall ensure that the District complies with Texas Education Agency (TEA) guidelines for the collection and maintenance of data regarding:

1. Mandatory expellable offenses committed at school or at a school-related or school-sponsored activity, on or off school property [see FOD]; and
2. Any student who becomes a victim of one of the following violent criminal offenses, ~~as defined by the Penal Code~~, while on the premises of the school the student attends or while attending a school-sponsored or school-related activity, on or off school property:
  - a. Attempted murder;
  - b. Indecency with a child;
  - c. Aggravated kidnapping;
  - d. Aggravated assault on someone other than a District employee or volunteer;
  - e. Sexual assault or aggravated sexual assault against someone other than a District employee or volunteer;
  - f. Aggravated robbery; ~~or~~
  - g. Continuous sexual abuse of a young child or disabled individual; ~~or~~
  - ~~g~~.h. Bullying.

**School Safety Transfers**

The parent of a student who becomes a victim of a violent criminal offense as described in the state guidance for unsafe school choice options or who is assigned to a campus identified by TEA as persistently dangerous shall be offered a transfer to a safe public or charter school within the District.

For each transfer requested, the District shall explore transfer options, as appropriate. Options may include a transfer agreement with another school district.

**From a Persistently Dangerous School**

The parent of a student attending a school identified as persistently dangerous shall be provided notification of his or her right to request a transfer. Notification shall occur at least 14 days prior to the start of the school year or, for a student enrolling subsequently, upon the student's enrollment.

The parent must submit to the Superintendent an application for transfer. The Superintendent shall complete the transfer prior to the

beginning of the school year, if applicable, or within 14 calendar days of the request for a subsequently enrolling student.

Any transfer arranged for a student from a campus identified by TEA as persistently dangerous shall be renewed so long as the campus from which the student transferred retains that designation.

The District shall maintain, in accordance with the District's record retention schedule, documentation of notification to parents of the transfer option, transfer applications submitted, and action taken.

**For a Victim of a  
Violent Criminal  
Offense**

Within 14 calendar days after a violent criminal offense described above occurs in or on the premises of the school the student attends or while attending a school-sponsored or school-related activity, on or off school property, the District shall notify the parent of a student who is a victim of the offense of the parent's right to request a transfer. The parent must submit to the Superintendent an application for transfer. The Superintendent shall approve or disapprove the request within 14 calendar days of its submission.

Any transfer arranged for a student who was a victim of a violent crime as described above shall be renewed so long as the threat to the student exists at the campus to which the student would typically be assigned.

For each offense, the District shall maintain for at least five years documentation of the nature and date of the offense, notification to the parent of the transfer option, transfer applications submitted, action taken, and other relevant information regarding the offense.

**Additional Transfer  
Options**

In circumstances described by Education Code 25.0341, a parent of a student who has been the victim of a sexual assault, regardless of whether the offense occurred on or off school property, may request a transfer of the parent's child or the student assailant from the same campus.

[For other transfer provisions, see also FDA and FDB.]

~~This policy shall apply to a student who has not been in attendance for 90 percent of the days the class is offered.~~

**Absences  
Considered**

Except as otherwise provided by law, all absences incurred while enrolled in the District shall be considered in determining whether a student has ~~attended~~ been in attendance for 90 percent of the ~~re-~~ ~~quired percentage of days~~ ~~under this policy~~ the class is offered.

**Attendance  
Committees**

The Board ~~shall establish~~ ~~authorizes~~ the establishment of an attendance committee or as many attendance committees as necessary for efficient implementation of ~~Education Code 25.092~~ state law.

The Superintendent ~~shall~~ is authorized to make the specific appointments in accordance with legal requirements.

**Parental Notice  
of Excessive  
Absences**

A student and the student's parent or guardian shall be given written notice prior to and at such time when a student's attendance in any class drops below 90 percent of the days the class is offered. When a student's attendance drops below 90 percent of the days the class is offered, the student, parent, or representative may request award of credit or a final grade by submitting a written petition to the appropriate attendance committee.

~~Petitions~~ A petition for credit or a final grade may be filed ~~at any time the student receives notice but, in any event, no later than 30 days after the last day of classes.~~

in accordance with administrative regulations. The attendance committee shall review the student's entire attendance record and the reasons for absences and shall determine whether to award credit or a final grade. ~~The~~ [See Imposing Conditions for Awarding Credit or a Final Grade, below]

Regardless of whether a petition is filed, the attendance committee may also, ~~whether a petition is filed or not,~~ review the records of all students whose attendance drops below 90 percent of the days the class is offered.

~~All components of the plan for regaining credit must be completed by June 15 of the academic year being appealed for credit. Extensions may be given for students attending summer school.~~

A student who has lost credit or has not received a final grade because of excessive absences may regain credit or be awarded a final grade by fulfilling the requirements established by the attendance committee. All requirements for regaining credit must be completed by June 15 of the academic year being appealed for credit. Extensions may be given for students attending summer school.

**Personal Illness**

The principal or attendance committee may require verification from a health-care provider in accordance with administrative regulations as a condition of classifying an absence for personal illness as one for which there are extenuating circumstances.

**Best Interest Standard**

In reaching consensus regarding a student's absences and how the student can be awarded credit or a final grade, the attendance committee shall attempt to ensure that its decision is in the best interest of the student. The Superintendent shall develop administrative regulations to document the attendance committee's decision.

**Guidelines on Extenuating Circumstances**

The attendance committee shall consider whether a student has mastered the essential knowledge and skills and maintained passing grades in the course or subject.

When makeup work is completed satisfactorily, the attendance committee shall consider extracurricular absences and other excused absences as days of attendance for award of credit or a final grade. [See FEA]

The attendance committee shall consider whether the reasons for the absences were out of the parent's or student's control and whether documentation for the absence is acceptable.

The student or parent shall be given an opportunity to present any information to the committee about the absences and to discuss ways to earn or regain credit or be awarded a final grade.

**Imposing Conditions for Awarding Credit or a Final Grade**

The attendance committee is not required to assign a student to attend a specified program for an amount of time equivalent to the student's absences (i.e., "seat time").

The attendance committee shall consider the student's unique circumstances and, if necessary, shall impose other conditions for awarding credit or a final grade that permit the student to meet the instructional requirements of the class ~~rather than assigning a student to attend a specified program for an amount of time equivalent to the student's absences.~~ Conditions may include:

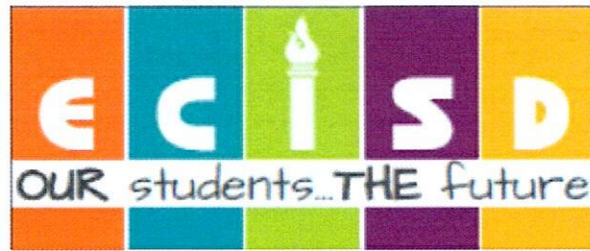
1. Maintaining attendance standards for the rest of the semester.
2. Completing additional assignments, as specified by the committee or teacher.
3. Attending tutorial sessions as scheduled.
4. Completing other instructional programs, as specified by the committee.
5. Taking an examination to earn credit. [See EHDB]
6. Attending a flexible school day program.
7. Attending summer school.

8. Attending any other program deemed appropriate by the committee.

In all cases, the student must earn a passing grade in order to receive credit.

**Appeal Process**

The decision of the campus-level attendance committee to deny credit or a final grade may be appealed to a District-level attendance committee by the parent or guardian submitting to the Superintendent or designee a written request that includes the basis for disagreement with the decision of the campus-level committee.



**DISCUSSION OF REVISIONS TO LOCAL BOARD POLICY:  
EFB (LOCAL): INSTRUCTIONAL RESOURCES: LIBRARY MATERIALS**

Administration Recommends that the Board Approve Revisions to Local Board Policy EFB (LOCAL): Instructional Resources: Library Materials. Senate Bill 13 introduces changes to how school library materials are selected and challenged. In compliance with the new Texas Education Code Section 33.026, each school district's board of trustees must adopt a formal policy for the acquisition of library materials before the first day of the 2025-2026 school year.

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**Note:** For information related to the selection of instructional materials, see EFA.

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**Collection  
Development Policy**

The purpose of this policy is to ensure that the District provides a wide range of library materials for students and faculty that support student achievement and present varying levels of difficulty, diversity of appeal, and a variety of points of view. This policy also provides standards for collection development and the selection and evaluation of library materials.

In this policy, “library materials” is defined by law and may include printed and electronic library acquisitions, including online catalogs, and other ancillary or supplementary materials maintained in a campus library. [See EFB(LEGAL)]

The library collection development standards shall apply to all library materials available for use or display, including material contained in school libraries, classroom libraries, ~~and online catalogs,~~ online catalogs, library mobile applications used in the District, and any other library catalog a student may access.

In developing library collections, the District shall consider the age groups, grade levels, and access to library material by all students on a campus.

**Responsibility**

The District shall ensure librarians, professional library staff, and other designated professional staff are trained or receive information on the proper collection development standards ~~select and acquire library materials in accordance with state law and rules, this collection development policy, and administrative procedures.~~

The Superintendent shall develop administrative procedures to ensure that library collections comply with applicable law, library standards, and the District’s collection development purpose and goals.

**Collection  
Development Goals**

In addition to the requirements in state law and rules, the District’s library collections shall:

1. Present multiple viewpoints related to controversial issues [see EMB regarding instruction about controversial issues].
2. Provide a wide range of background information that will enable students to make intelligent decisions in their daily lives.
3. Include accurate and authentic factual content from authoritative sources.
4. Have a high degree of potential user appeal and interest.

INSTRUCTIONAL RESOURCES  
LIBRARY MATERIALS

EFB  
(LOCAL)

5. Offer a global perspective that promotes equity of access, including print and nonprint materials such as electronic and multimedia, to meet the needs of individual learners.
6. Represent diverse viewpoints and ~~cultures appropriate~~cultural groups of the state and their contributions to each campus~~the state, the nation, and the world,~~ to ensure the collection embodies the ~~unique~~ background of ~~its student population~~all students.

~~Selection~~Recommendation and  
~~Evaluation~~Procurement of Materials

Library materials shall be ~~selected~~recommended and ~~acquired~~procured in accordance with guidelines adopted by the Texas State Library and Archives Commission and the District standards and priorities expressed in this policy.

~~When selecting, acquiring, and evaluating library materials, Librarians and other professional staff shall develop recommendations to be presented to the Board. The~~ librarians and other professional staff shall ensure that the materials:

1. Enrich and support the TEKS and the state and local curriculum, taking into consideration students' varied interests, maturity levels, abilities, and learning styles.
2. Foster growth in factual knowledge, literary appreciation, aesthetic values, and societal standards.
3. Encourage the enjoyment of reading, foster high-level thinking skills, support personal learning, and encourage discussion based on rational analysis.
4. Represent ethnic, religious, and cultural groups of the state and their contributions to the state, the nation, and the world.

The Superintendent shall ensure that administrative procedures regarding the ~~selection~~development of recommendations of library materials consider at least two of the following factors:

1. Recommendations from students, parents or guardians, teachers, and District ~~community members~~residents.
2. Consultation with District teachers and library staff.
3. Consultation with library staff from other districts.
4. Extensive review of the library material.
5. Context of the library material, including overall fit within the existing collection and support of District curriculum.

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(LOCAL)

6. Reviews of the library material from sources such as professional journals in library science, recognized professional education or content journals with book reviews, national and state award recognition lists, library science field experts, and highly acclaimed author and literacy expert recommendations.
7. Coverage of topics, authors, series, or genres that fill gaps in the school library collection.

Donated and  
Proposed  
Procurement List

The Board shall consider the list of library materials that have been donated or proposed by the administration for procurement. Each Board member may propose changes before the Board takes action on the list of donated or proposed library materials.

The Board shall either approve or reject the library materials that have been donated or proposed for procurement.

At least 30 days prior to the Board's vote to accept donated library materials or approve procurement of library materials, the Superintendent shall make accessible to the public the list of library materials in accordance with law.

Access Plan

The District shall allow efficient parental access to the District's library and any available online catalogs.

Online catalogs shall be publicly available. The District shall publish information about library material titles, including how and where material can be accessed.

Each campus shall communicate the following to parents and guardians:

- Access to policies relating to school libraries and library materials;
- Consistent access to library materials and resources; and
- Opportunities for students, parents and guardians, educators, and community members to provide feedback on library materials and services.

Parental  
Involvement

Parents and guardians are the primary decision-makers regarding their student's child's access to library material. In general, a student is afforded the opportunity to self-select library materials as part of literacy development and the library program. District staff may assist a student in selecting library material; however, the ultimate determination of appropriateness remains with the student and parent or guardian. Parents and guardians are encouraged to communicate with the campus librarian and their child's teacher about special considerations regarding library materials self-selected by their student child.

	<p>In accordance with state law and administrative procedures, parents or guardians may <u>submit to the principal or a staff member designated by the principal a list of library materials that the parent's or guardian's child shall not be allowed to check out or access for use outside of the school library. The Superintendent shall develop procedures that permit a parent or guardian to submit the request in at least one of the methods permitted by law.</u></p> <p><u>The parent or guardian may</u> select alternative library materials for their <u>studentchild</u>. [For information on parental rights regarding instructional materials and other instructional resources, see EFA(LLEGAL).]</p>
<p>Access Procedures School Library</p>	<p>The District shall focus on maximizing transparency with parents while meeting student needs and providing enrichment opportunities with library materials. Parental involvement in library acquisition, maintenance, and campus activities is encouraged.</p> <p>A parent or guardian who wishes to access a school's library shall first submit a request to the principal. The principal or a staff member designated by the principal shall work with the parent or guardian to determine a time to access the library that will not interfere with the delivery of instruction or disrupt student use of library services.</p>
<p><u>OnlineLibrary</u> Catalog</p>	<p>A parent or guardian who wishes to access <del>an online</del><u>the</u> catalog <u>of library materials for any school in the District</u> shall submit a written request to the <u>school's</u> principal. The principal or a staff member designated by the principal shall respond to the request in accordance with administrative procedures.</p>
<p>Protection from Inappropriate Material</p>	<p><u>In accordance with law and guidance from the Texas State Library and Archives Commission, library materials shall not include "harmful material" as defined by Penal Code 43.24(a)(2); "obscene" material as defined by Penal Code 43.21(a)(1);</u>; any library material that is pervasively vulgar or educationally unsuitable <del>as referenced in Board</del>; <u>any library material containing indecent or profane content; any library material that refers a person to a website, including by use of Education v. Picea link or QR code, containing content legally prohibited under law</u>; or any other material legally prohibited from inclusion in a public school library. [See EFB(LLEGAL)]</p> <p>Obscene material is not protected by the First Amendment to the United States Constitution.</p> <p>Library materials shall comply with the <u>Children'sChildren's</u> Internet Protection Act (CIPA), including technology protection measures. [See CQ]</p>

**Reconsideration Challenge of Library Material**

Guiding Principles

A District employee ~~or~~, a parent or guardian of a District student, or District resident may ~~request the reconsideration of a challenge~~ library material maintained in the District's library program.

The following principles shall guide the review of a ~~request to reconsider a challenge of~~ library material:

1. An individual may ~~raise an objection to a challenge~~ library material used in the District's library program, despite the fact that the professional staff ~~selecting and~~ the ~~materials were qualified to make the selection,~~ Board followed the proper procedure, and adhered to the objectives and criteria for ~~recommending and procuring~~ library materials set out in this policy.
- ~~2. A parent's or guardian's ability to exercise control over instruction and instructional resources, including library materials, extends only to his or her own child as set forth in Education Code Chapter 26.~~
- ~~3.2.~~ Access to ~~a~~ challenged material shall ~~not~~ be restricted during the ~~reconsideration challenge~~ process, ~~except the District may deny access to a student if requested by the student's parent or guardian.~~

In addition to compliance with state law and this policy, a criterion for the final decision on challenged library materials is the appropriateness of the material for its intended use. No challenged library material shall be removed solely because of the ideas expressed in the library material or the personal background of the library material's author or the personal background of the characters in the material.

Informal Reconsideration Challenge

When the District or a campus receives an objection to the appropriateness of a library material, the appropriate librarian or administrator shall try to resolve the matter informally. The librarian or administrator shall explain the selection process and discuss the intended purpose for the library material.

The librarian or administrator shall offer a concerned parent or guardian an alternative library material to be used by the child in place of the material and, if requested, shall restrict the child's access to the material objected to by the parent or guardian.

If the individual wishes to make a formal challenge, the administrator shall make available to the individual a copy of this policy and ~~at the~~ form to request a formal ~~reconsideration challenge~~ of the library material ~~and direct the requestor to the digital learning coordinator.~~

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~~Formal Request for  
Reconsideration  
Challenge~~

The District shall ~~provide amake the Texas Education Agency~~ form to ~~request reconsideration of challenge~~ library material available ~~on the District's website.~~

If ~~ana District~~ employee ~~or,~~ a parent or guardian of a District student, ~~or a District resident~~ wishes to ~~request reconsideration of a challenge~~ library material, they shall follow the procedures to complete and submit the ~~request for reconsideration challenge~~ form.

After a ~~request for reconsideration challenge~~ form is submitted, the form shall be provided to the Superintendent. Copies of the form shall be provided to the school librarian, the Board, and any other staff designated in administrative procedures.

~~Reconsideration  
Challenge  
Committee~~

~~For purposes of this policy, "days" shall mean District business days, unless otherwise noted.~~

~~The Superintendent~~ shall appoint a ~~reconsideration challenge~~ committee and notify ~~the reconsideration committee within days of receiving the request for reconsideration form~~ committee members in accordance with administrative procedures.

The ~~reconsideration challenge~~ committee shall include the librarian and at least one member of the instructional staff who is familiar with the material's content. Other members of the committee may include District-level staff, secondary-level students, parents or guardians, and any other appropriate individuals.

~~Within days of appointment of the committee~~ The District shall provide members of the committee the relevant materials to review. ~~If additional time is in accordance with the deadlines established in administrative procedures and in accordance with law.~~

~~Any meeting of the committee must comply with the meeting requirements under Education Code 33.025(g) and (h), including required to obtain and distribute the materials for review, all members notices, meeting minutes, audio or video recordings, and submission of minutes and audio or video recordings of the committee shall be informed that a reasonable extension of time is needed~~ meeting to the District.

All members of the committee shall review the challenged library material in its entirety and determine whether the material conforms to this policy and whether the material will continue to be available in the library. The committee shall prepare a written report of its findings.

~~Absent extenuating circumstances, the written report shall be provided to the administration within days of the District providing the~~

	<p><del>material to the committee members. In calculating timelines under this policy, the day the committee is provided the materials is “day zero.” The following business day is “day one.”</del></p> <p><del>Extensions of time due to extenuating circumstances shall take into consideration the time necessary to convene the committee members, the amount of material being reviewed, and any other pending reconsideration requests being handled by the committee.</del></p> <p><del>An extension of any deadline shall be promptly communicated to the individual who submitted the request for reconsideration.</del></p> <p>The Superintendent, the school librarian, the individual submitting the <u>request for reconsideration challenge</u>, and any other appropriate <u>administrators staff</u> shall receive a copy of the committee’s report.</p>
Appeal	<p>An individual who submitted a <u>request for reconsideration challenge</u> may appeal the decision <u>of</u> the <u>reconsideration committee Board</u>. <u>The individual must provide the notice of appeal</u> in accordance with <u>appropriate complaint policies, starting at the level immediately preceding Board consideration of a complaint. [See DGBA administrative procedures.</u></p> <p><u>The Board shall hear the appeal and FNG]render a decision in accordance with the timelines established in law.</u></p> <p><u>When considering the appeal, the Board shall consider the factors in Education Code 33.027(f). The Board shall consider appeals in accordance with timelines set out in law.</u></p>
Frequency of Review	<p>After a library material has been <u>reviewed through challenged and the reconsideration process Board determines not to remove the library material from a school library catalog</u>, it <u>shall</u> <u>may</u> not be <u>re-viewed challenged</u> again <u>within two calendar years before the second anniversary of the reconsideration committee’s Board’s final decision</u> <u>not to remove the material.</u></p>
<u>Removal of Library Materials</u>	<p><u>If a challenge to a library material results in the removal of the library material from the school library catalog, each teacher assigned as the classroom teacher at the grade level for which the library material was removed shall be notified and instructed to remove any copy of the library material from the teacher’s classroom library, if applicable.</u></p>
<b>Maintenance of Library Materials</b>	<p>In accordance with state guidelines and District administrative procedures, collections shall be evaluated and updated regularly based on the collections’ age, relevance, diversity, and variety. The Superintendent shall ensure administrative procedures are established for regular maintenance of the library collection on each</p>

INSTRUCTIONAL RESOURCES  
LIBRARY MATERIALS

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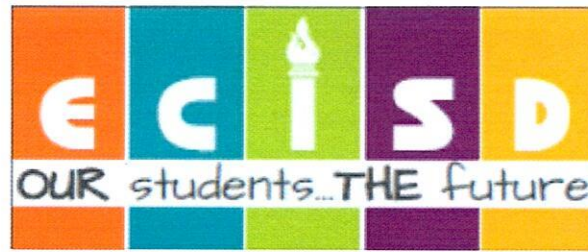
campus. Standard maintenance procedures for any library collection include repair, replacement, and removal of materials as necessary. Regular maintenance shall also include scheduled inventories of the collection. Disposal of any District-owned library materials shall be in accordance with District policy and procedures. [See CI]

**Gifts and Donations**

The ~~District~~Board shall accept gifts and donations of library materials with the understanding that the use and disposition of the materials and monies will be in accordance with District policy and the selection criteria noted above. [See CDC]

**Policy Review**

This policy shall be reviewed at least every three years and revised as necessary.



**DISCUSSION OF REVISIONS TO LOCAL BOARD POLICY:  
FD (LOCAL): ADMISSIONS**

Administration Recommends that the Board Approve Revisions to Local Board Policy FD (LOCAL): Admissions. Under SB 401, school districts that choose to prohibit homeschool students from participating in extracurricular activities must adopt a policy stating this by September 1, 2025. While our current policy addresses this issue, clarifying language will be added as a precaution.

**Persons Age 21 and Over**

The District shall not admit into its public schools any person age 21 or over unless otherwise required by law.

**Registration Forms**

The student's parent, legal guardian, or other person having lawful control shall annually complete registration forms. A student who has reached age 18 shall be permitted to complete these forms.

Proof of Residency

In accordance with administrative regulations, the parent, guardian, or other person having lawful control of the student under order of a court shall present proof of residency. The District may investigate stated residency as necessary.

**Minor Living Apart**

Person Standing in Parental Relation

A minor student residing in the District but whose parent, guardian, or other person having lawful control under a court order does not reside in the District shall present a power of attorney or an authorization agreement as provided in Chapter 34 of the Family Code assigning responsibility for the student in all school-related matters to an adult resident of the District.

Misconduct

A minor student living apart who has engaged in misconduct that results in any of the consequences found in Education Code 25.001(d) shall not be permitted to attend a District school.

Exceptions

Based on an individual student's circumstance, the Superintendent shall have authority to grant exceptions to the requirement for a power of attorney or authorization agreement and to the exclusion for misconduct.

Extracurricular Activities

The Superintendent shall determine whether a minor student living apart is present in the District for the primary purpose of participating in extracurricular activities.

**Students Not Enrolled**

A student enrolled in a private school, including a homeschool, shall not be eligible for concurrent enrollment in the District nor for participation in curricular or extracurricular activities **including UIL activities**, except as required by law. [See EEL and FM]

**Nonresident Student in Grandparent's After-School Care**

The parent and grandparent of a nonresident student requesting admission under Education Code 25.001(b)(9) shall provide to the Superintendent the required information on the grandparent's residency and complete a form provided by the District describing the extent of after-school care to be provided by the grandparent.

The Superintendent shall have authority to approve or deny such admissions requests in accordance with criteria approved by the Board.

**"Accredited" Defined**

For the purposes of this policy, "accredited" shall be defined as accreditation by TEA, an equivalent agency from another state, or an

accrediting association recognized by the commissioner of education.

**Grade-Level Placement**

Accredited Schools

The parent, guardian, or other person having lawful control of a student enrolling in a District school from an accredited public, private, or parochial school shall provide evidence of the prior schooling outside the District. The student shall be placed initially at the grade level reached elsewhere, pending observation by the classroom teacher, guidance personnel, and the principal. On the basis of these observations and results of tests that may be administered by appropriate District personnel, the principal shall determine the final grade placement.

Nonaccredited Schools

A student enrolling in a District school from a nonaccredited public, private, or parochial school, including a homeschool, shall be placed initially at the discretion of the principal, pending observation by classroom teachers, guidance personnel, and the principal. Criteria for placement may include:

1. Scores on achievement tests, which may be administered by appropriate District personnel.
2. Recommendation of the sending school.
3. Prior academic record.
4. Chronological age and social and emotional development of the student.
5. Other criteria deemed appropriate by the principal.

**Transfer of Credit**

Accredited Texas Public Schools

Credit toward state graduation requirements earned in an accredited public school district in Texas shall be transferable and recognized by the District.

Other Accredited or Nonaccredited Schools

Before recognizing credit in a course earned in an accredited non-public school, an accredited school outside of Texas, or a nonaccredited school, appropriate personnel shall evaluate a student's records and transcript. The District may require the student to demonstrate mastery of the content or use alternative methods to verify course content for the award of credit.

Transition Assistance

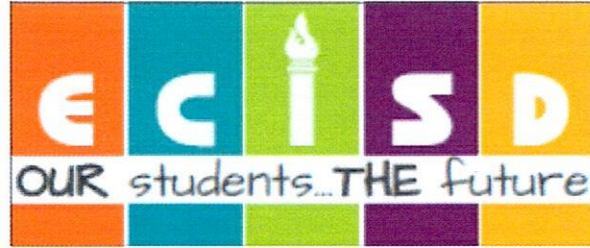
In accordance with law, when a student who is identified as homeless or in substitute care enrolls in the District, the District shall assess the student's available records and other relevant information to ensure credit, including proportionate credit, is awarded appropriately for all subjects and courses taken prior to enrollment.

[See EI]

**Withdrawal**

A parent or guardian wishing to withdraw a minor student shall present a signed statement that includes the reason for the withdrawal. A student who is 18 or older may submit a withdrawal statement without a parent's or guardian's signature.

[For District withdrawal of students no longer in attendance, see FEA(LOCAL).]



**DISCUSSION OF REVISIONS TO LOCAL BOARD POLICY: FNCE  
(LOCAL): STUDENT CONDUCT: PERSONAL  
TELECOMMUNICATIONS/ELECTRONIC DEVICES**

Administration Recommends that the Board Approve Revisions to Local Board Policy FNCE (LOCAL): Student Conduct: Personal Telecommunications/Electronic Devices. HB 1481 requires school districts to prohibit student use of personal communication devices during the school day. The law must be implemented by September 18, 2025. Districts may choose to ban possession of such devices on campus entirely or establish procedures for their storage during school hours. Limited exceptions for use are allowed under the law.

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**Note:** For searches of personal communication devices or other personal electronic devices, see FNF.

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**Personal  
Communication  
Devices**

A student shall not use a personal communication device on school property during the school day. While on school property, the student shall store any personal communication device in accordance with administrative regulations.

A student who violates this policy or any regulations shall be subject to discipline in accordance with the Board-adopted Student Code of Conduct.

An authorized District employee may confiscate a student's personal communication device that is used in violation of this policy or any applicable regulations.

The District shall not dispose of the personal communication device. The District shall provide appropriate notice, and devices that are not retrieved shall be stored according to administrative regulations.

Exceptions

A student shall be authorized to use a personal communication device on school property during the school day only under the following circumstances:

1. The student's use is necessary for implementation of the student's individualized education program, a 504 plan, or a similar program or plan;
2. The student's use is required due to a documented need based on a directive from a qualified physician; or
3. The student's use is necessary to comply with a health or safety requirement imposed by law or as part of the District or campus safety protocols.

Implementation

The Superintendent shall develop regulations to implement this policy.

Compliance

Annually, the Superintendent shall report to the Board on the implementation and compliance of this policy.



## Ector County Independent School District

### Cover Page

**TO:** Board of Trustees

**FROM:** Albessa Chavez, Chief Financial Officer

**SUBJECT: DISCUSSION OF PRELIMINARY 2023 BONDS FINANCING PLAN**

**DATE:** August 12, 2025

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Our Financial Advisor Josh McLaughlin with BOK will be here to give us information on bond financing options for selling the remaining 2023 bonds. Attached is the presentation he will use to explain the options.

\*\*\*\*\*



# Review of Preliminary Financing Plan – Sale of Remaining Bonds from 2023 Bond Program

## Tuesday, August 12, 2025



## Savings from District's Debt Management Practices

❑ Ector County Independent School District (“ECISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided ECISD taxpayers with more than \$53.9 million of direct savings since year 2007!

- ❖ \$ 26,878,570 – Bond Refundings
- ❖ 24,724,573 – Prepayment of Bonds
- ❖ 2,300,649 – Lower Interest Rates from Prudent Use of Variable Rate Bonds
- \$ 53,903,792 – Total Savings to Taxpayers**

### ■ Prudent Use of Variable Rate Bonds:

- ❖ In 2024, Ector County ISD strategically incorporated variable rate bonds within its debt portfolio, lowering its borrowing cost by approximately \$2.3 million in comparison to the sale of fixed rate bonds.
- ❖ The District's interest rate on its existing \$99,545,000 Variable Rate Unlimited Tax School Building Bonds, Series 2024-B is currently 3.62% and will reset on August 15, 2027.



# Savings from District's Debt Management Practices (Continued)

<b>Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds</b>			
<b>Issue / Description</b>	<b>Series Refunded / Redeemed</b>	<b>Par Amount Refunded / Redeemed</b>	<b>Total Savings</b>
Unlimited Tax Refunding Bonds, Series 2007	1993, 2001, 2003A	\$ 56,380,113	\$ 3,167,672
Unlimited Tax Refunding Bonds, Series 2012	2001, 2003, 2003A	4,770,000	687,402
Unlimited Tax Refunding Bonds, Series 2016	2007	55,677,169	9,588,712
Unlimited Tax Refunding Bonds, Series 2020-A	2013	9,700,000	2,147,289
Unlimited Tax Refunding Bonds, Taxable Series 2020-B	2013	56,150,000	11,287,495
<b>Total - Bond Refunding Programs at a Lower Interest Rate</b>	<b>---</b>	<b>\$ 182,677,282</b>	<b>\$ 26,878,570</b>
Prepayment of Series 2003A Bonds - August 2013	2003A	\$ 1,644,874	\$ 1,029,459
Prepayment of Series 2013 Bonds - August 2015	2013	4,000,000	3,220,000
Prepayment of Series 2013 Bonds - February 2021	2013	5,235,000	3,206,438
Prepayment of Series 2012 and 2013 Bonds - February 2022	2012, 2013	5,690,000	2,462,438
Prepayment of Series 2013 Bonds - February 2023	2013	20,725,000	7,749,188
Prepayment of Series 2013, 2016 and 2020-A Bonds - February 2024	2013, 2016, 2020-A	34,435,000	6,137,250
Prepayment of Series 2020-B Bonds - February 2025	2020-B	7,000,000	919,800
<b>Total - Prepayment of Bonds Prior to Scheduled Maturity</b>	<b>---</b>	<b>\$ 78,729,874</b>	<b>\$ 24,724,573</b>
<b>Totals</b>	<b>---</b>	<b>\$ 261,407,156</b>	<b>\$ 51,603,143</b>

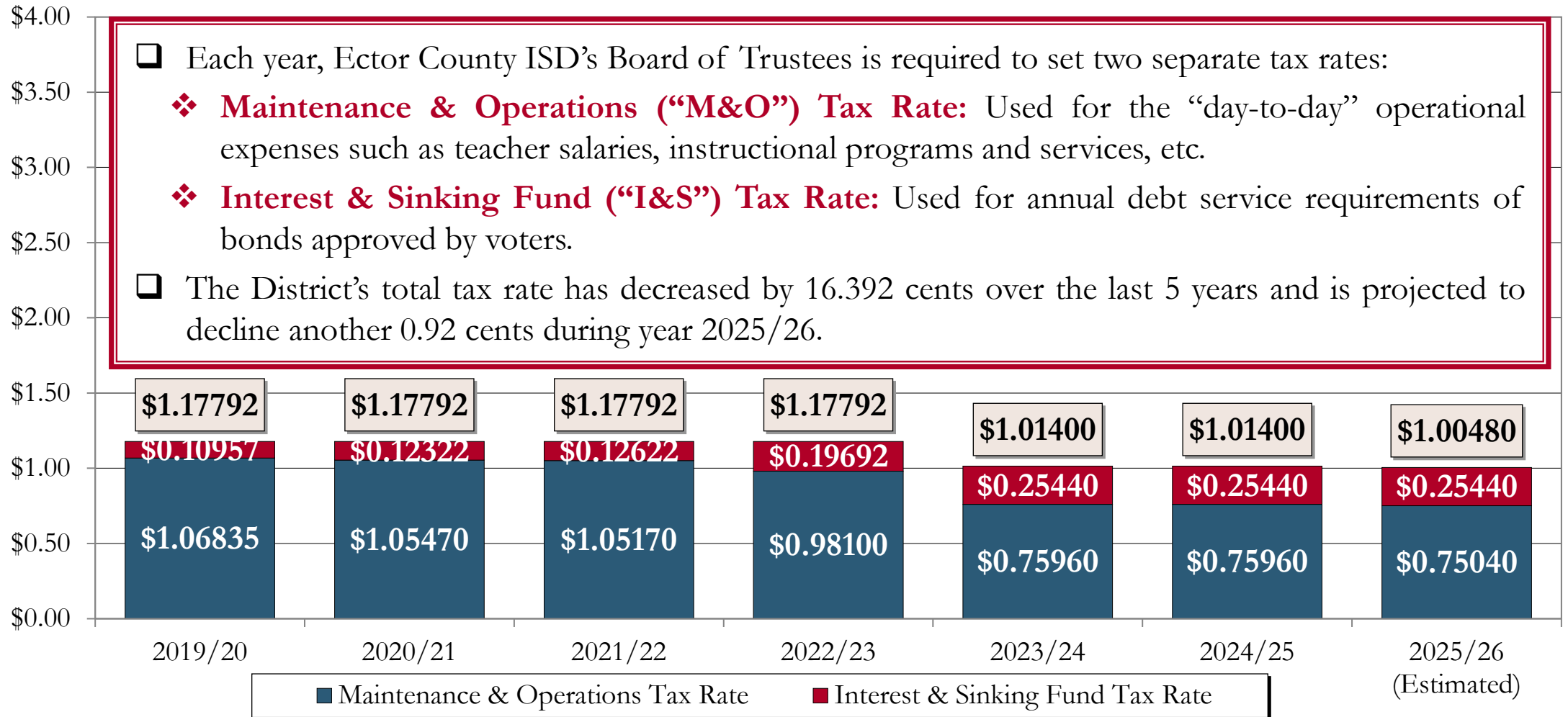


# Historical Tax Rates

## Ector County Independent School District's Historical Tax Rates

- ☐ Each year, Ector County ISD's Board of Trustees is required to set two separate tax rates:
  - ❖ **Maintenance & Operations ("M&O") Tax Rate:** Used for the "day-to-day" operational expenses such as teacher salaries, instructional programs and services, etc.
  - ❖ **Interest & Sinking Fund ("I&S") Tax Rate:** Used for annual debt service requirements of bonds approved by voters.
- ☐ The District's total tax rate has decreased by 16.392 cents over the last 5 years and is projected to decline another 0.92 cents during year 2025/26.

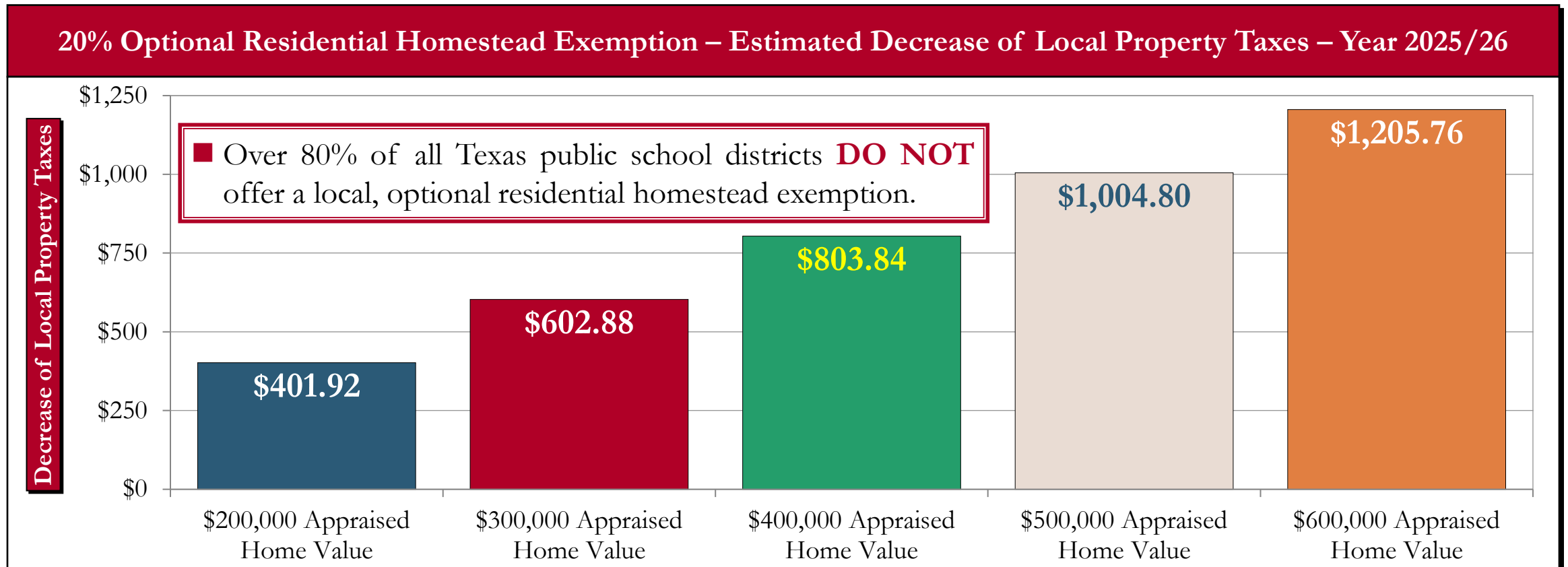
Property Tax Rate Per \$100 Valuation





# Overview of Local Option, 20% Additional Residential Homestead Exemption Provided By ECISD

- ❑ Unlike many Texas public school districts, Ector County ISD has approved an additional residential homestead exemption equal to 20% of the assessed value. In this regard, the residential homestead exemption lowers the taxable value of a taxpayer’s home for purposes of levying the District’s tax rate.
- ❑ The following summarizes the benefits that are expected to accrue to residential homeowners in year 2025/26.



Note: ECISD may not repeal or reduce its 20% Optional Residential Homestead Exemption until tax year 2028 (i.e., fiscal year 2028/29).



# Review of the District’s 2023 Bond Program

- ❑ Voters of ECISD approved the issuance of \$424,263,000 of bonds on November 7, 2023 (the “2023 Bond Program”).

<b>Ector County ISD’s Successful November 7, 2023 Bond Election Results</b>				
<b>Proposition</b>	<b>Election Amount</b>	<b>Votes For</b>	<b>Votes Against</b>	<b>Approval Rate</b>
Prop. A (School Building)	\$ 424,263,000	5,560	4,223	56.83%
Prop. B (Ratliff Stadium)	8,096,000	4,673	5,073	47.95%
Prop C. (Indoor Practice Facilities)	3,750,000	4,468	5,270	45.88%

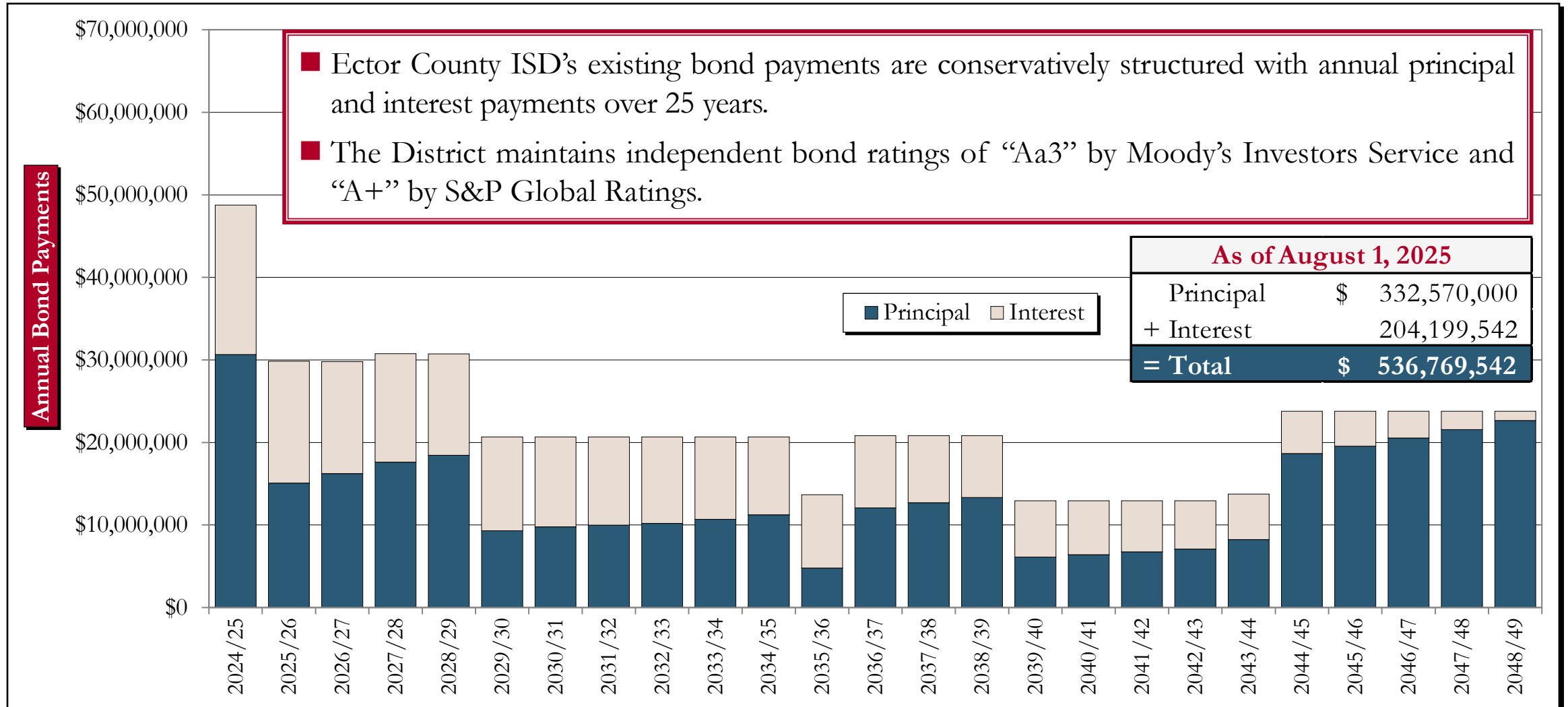
- ❑ The District has completed two (2) sales from the 2023 Bond Program, totaling \$296,230,000.

<b>Summary of Bond Sales Completed – 2023 Bond Program</b>					
<b>Series Description</b>	<b>Sale Date</b>	<b>Dollar Amount</b>	<b>Interest Rate Type</b>	<b>All-In True Interest Rate</b>	<b>Final Maturity</b>
Unlimited Tax School Building Bonds, Series 2024-A	May 14, 2024	\$ 196,230,000	Fixed	3.77%	2045
Variable Rate Unlimited Tax School Building Bonds, Series 2024-B	June 5, 2024	100,000,000	Variable	3.62%	2049

**❑ Ector County ISD has \$128,033,000 of bonds remaining to be sold from the 2023 Bond Program.**



# Dollar Amount and Structure of District's Existing Bonds



Note: Debt service payments reflect payments from September 1 through August 31. Interest on ECISD's Variable Rate Unlimited Tax School Building Bonds, Series 2024-B is calculated at a 4.00% coupon through August 15, 2027, and an assumed 5.00% coupon thereafter. Includes a \$7,000,000 defeasance of the Series 2020-B Bonds prior to scheduled maturity on February 15, 2025.



## Goals of Financing Plan – 2023 Bond Program

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- ❑ Meet or exceed expectations of taxpayers – Fully implement the November 2023 Bond Program within the projected cost communicated to voters at the time of the November 7, 2023 bond election;
  - Pursuant to the voter education material used for the November 2023 bond election, Proposition A would not generate a tax rate increase – Current total tax rate of \$1.014 will not increase.
- ❑ Maximize the District’s future bond capacity for capital improvements;
- ❑ Maintain a bond repayment period of 25 years or less;
- ❑ **Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives;
- ❑ **Variable Rate Debt:** The use of variable rate bonds is limited to no more than 25% of ECISD’s total debt portfolio (i.e., total debt portfolio is defined as existing bonds plus any authorized but unissued bonds from the 2023 Bond Program);
- ❑ Incorporate ongoing flexibility to prepay outstanding bonds to reduce the interest cost of taxpayers; and
- ❑ Structure repayment of bonds to comply with the State-mandated “50-Cent Debt” limitation and to minimize the use of Capital Appreciation Bonds (“CABs”).



# Summary of Cash Flow Needs – Proposed Projects – 2023 Bond Program

□ The following demonstrates the anticipated construction fund “cash flow” associated with ECISD’s 2023 Bond Program.

**Ector County ISD's 2023 Bond Program - \$424,263,000 - Summary of Projects and Anticipated Cash Flow**

Project Description	Spring 2024	June 2024	July 2024	Fall 2024	Spring 2025	June 2025	July 2025	Fall 2025	Spring 2026	June 2026	July 2026	Fall 2026	Spring 2027	June 2027	July 2027	Fall 2027	Spring 2028	Totals
Middle School	\$1,000,000	\$1,500,000	\$1,500,000	\$13,000,000	\$13,000,000	\$9,000,000	\$9,000,000	\$30,000,000	\$42,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$120,000,000
Priority 1 and 2 Items	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	10,000,000	10,000,000	5,000,000	5,000,000	5,000,000	2,783,000	117,783,000
CTE Center	2,700,000	1,300,000	1,300,000	2,700,000	16,000,000	8,000,000	8,000,000	16,000,000	18,700,000	2,100,000	2,100,000	1,100,000	0	0	0	0	0	80,000,000
Transporation Facility	2,500,000	2,500,000	2,500,000	5,000,000	5,000,000	5,000,000	5,000,000	5,000,000	2,500,000	0	0	0	0	0	0	0	0	35,000,000
Auditorium Reno - PHS	1,500,000	0	0	0	0	2,000,000	2,000,000	7,000,000	0	0	0	0	0	0	0	0	0	12,500,000
Technology - PA, Bell, Clock, FA Sys	0	0	0	7,500,000	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	10,000,000
Land Purchase	2,620,000	0	0	6,380,000	0	0	0	0	0	0	0	0	0	0	0	0	0	9,000,000
Transition Learning Center	0	0	0	0	1,800,000	900,000	900,000	4,400,000	0	0	0	0	0	0	0	0	0	8,000,000
AG Farm Buildings - CTE	0	0	0	0	1,700,000	900,000	900,000	4,000,000	0	0	0	0	0	0	0	0	0	7,500,000
Technology Items - Surveillance	0	0	0	6,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	6,000,000
Fine Arts Instruments	1,085,000	0	0	580,000	500,000	0	0	500,000	0	0	0	500,000	0	0	0	500,000	0	3,665,000
Tech Items -FLT PNL BDS,AV EQP	3,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	3,500,000
Technology - Phone Systems	0	0	0	2,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	2,500,000
Transportation Buses	0	500,000	500,000	0	0	500,000	500,000	0	0	450,000	0	0	0	0	0	0	0	2,450,000
JROTC Facility	200,000	0	0	0	300,000	300,000	300,000	400,000	0	0	0	0	0	0	0	0	0	1,500,000
Technology Items - AV Equipment	0	0	0	1,500,000	0	0	0	0	0	0	0	0	0	0	0	0	0	1,500,000
ATH - MS Indoor Gym Bleachers	1,000,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	1,000,000
MS Uniforms - Band & Mariachi	0	0	0	185,000	0	200,000	0	0	0	200,000	0	0	0	100,000	0	0	0	685,000
ATH -BB & Tennis Lights - OHS	650,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	650,000
ATH - MS Tennis Court Resurface	480,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	480,000
ATH - Baseball Lighting - PHS	400,000	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	400,000
MS Performance Risers	31,000	0	0	61,500	0	0	0	57,500	0	0	0	0	0	0	0	0	0	150,000
Estimated costs per time period	\$27,666,000	\$10,800,000	\$10,800,000	\$55,406,500	\$48,300,000	\$31,800,000	\$31,600,000	\$79,857,500	\$73,200,000	\$7,750,000	\$7,100,000	\$11,600,000	\$10,000,000	\$5,100,000	\$5,000,000	\$5,500,000	\$2,783,000	\$424,263,000
Estimated cumulative costs	\$27,666,000	\$38,466,000	\$49,266,000	\$104,672,500	\$152,972,500	\$184,772,500	\$216,372,500	\$296,230,000	\$369,430,000	\$377,180,000	\$384,280,000	\$395,880,000	\$405,880,000	\$410,980,000	\$415,980,000	\$421,480,000	\$424,263,000	\$424,263,000
Estimated cumulative percentage	6.52%	9.07%	11.61%	24.67%	36.06%	43.55%	51.00%	69.82%	87.08%	88.90%	90.58%	93.31%	95.67%	96.87%	98.05%	99.34%	100.00%	100.00%



# 2025 Legislative Session – Recent Changes Impacting Debt Management

Bill Number	Overview	Effective Date
Senate Bill 4	<ul style="list-style-type: none"><li>■ Increases the residential homestead exemption from \$100,000 to \$140,000 beginning in tax year 2025 (i.e., fiscal year 2025/26), subject to a November 4, 2025 election.</li><li>■ Provides I&amp;S hold harmless funding for debt eligible as of September 1, 2025 (must be issued by this date).</li><li>■ Reduces I&amp;S hold harmless funding if combined state aid and local I&amp;S taxes are in excess of the “minimum” annual debt service payment.</li></ul>	September 1, 2025
Senate Bill 1453	<ul style="list-style-type: none"><li>■ Changes definitions in the Education Code and Tax Code such that an I&amp;S tax rate could only include the “minimum” dollar amount required to be spent for debt service on an annual basis, which could impact the ability to prepay bonds and manage the I&amp;S tax rate, beginning with the 2026/27 tax rate.</li><li>■ Requires a 60% majority approval of the Board of Trustees to exceed the rollback rate.</li><li>■ A motion to exceed the rollback rate must also specify the purposes for which the revenue in excess of the rollback rate will be used.</li></ul>	January 1, 2026



## Preliminary Financing Plan – Remaining 2023 Bond Program

This Preliminary Financing Plan is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to Ector County ISD will correspondingly change.

### □ Preliminary Financing Plan

- Ector County ISD issues the \$128,033,000 of remaining bonds from the 2023 Bond Program in August 2025 utilizing a fixed rate of interest (i.e., the “Series 2025 Bonds”).
- After the issuance of the Series 2025 Bonds, ECISD will have no authorized bonds remaining to be sold from the 2023 Bond Program.



# Preliminary Financing Plan – Remaining 2023 Bond Program (Continued)

## Assumptions

- **Tax Rate Impact:** The remaining 2023 Bond Program will be implemented without an increase in the I&S tax rate.
- **Interest Rate:** The Series 2025 Bonds will be sold based upon current market, fixed rates of interest (as of August 1, 2025) plus 0.15%.
- **Bond Repayment:** The Series 2025 Bonds will initially be structured with annual principal payments over the next 19 years (i.e., final maturity of August 15, 2044). However, the District will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- **Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives (e.g., devices – 5 years and infrastructure, buses, etc. – 10 years).
- **Other Available Revenues:** ECISD will annually have \$604,852 of “Other Available Revenues” available for bond payments, which consists of interest earnings on I&S tax collections (\$625,000) less estimated annual bond fees of \$20,148.
- **Tax Collections:** Tax collection rate of 99%.



# Preliminary Financing Plan – Remaining 2023 Bond Program (Continued)

## □ Assumptions (Continued)

### ■ State Funding Assistance:

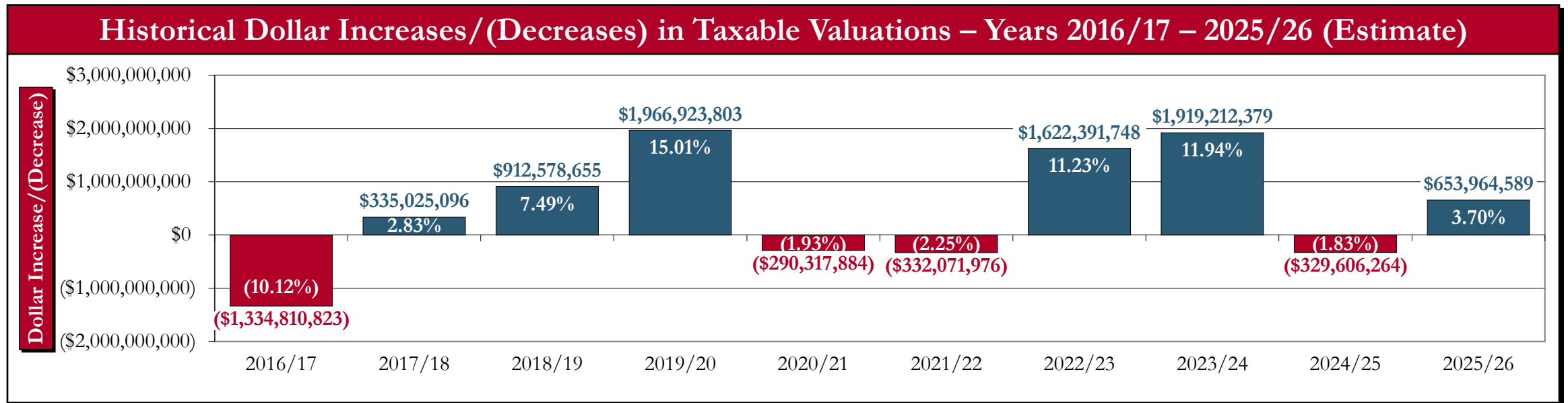
- Ector County ISD **WILL NOT** receive any State assistance from the IFA and EDA Programs for the repayment of its existing bonds.
- However, the District **WILL** receive Additional State Aid for Homestead Exemption (“ASAHE”) funding for the repayment of its existing bonds. For purposes of this analysis, the District will receive 100% of the calculated ASAHE funding during years 2024/25 – 2048/49 (i.e., the repayment period of eligible debt).
- By issuing the Series 2025 Bonds prior to September 1, 2025, the Series 2025 Bonds **WILL** qualify for ASAHE funding assistance.

- **Capitalized Interest:** ECISD will generate a premium on the Series 2025 Bonds for “Capitalized Interest” purposes in order to have a qualifying bond payment in August 2025 for potential “ASAHE” funding from the State.



# Summary of Ector County ISD’s Historical Taxable Assessed Valuation

- ❑ Ector County ISD’s taxable assessed valuation (net of frozen values) is \$18,313,972,389 for year 2025/26.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
  - Maximum tax base increase occurred in Year 2019/20: \$1,966,923,803 or 15.01%;
  - Average tax base increase last 10 years: \$512,328,932 or 3.34%; and
  - Average tax base increase last 5 years: \$706,778,095 or 4.38%.



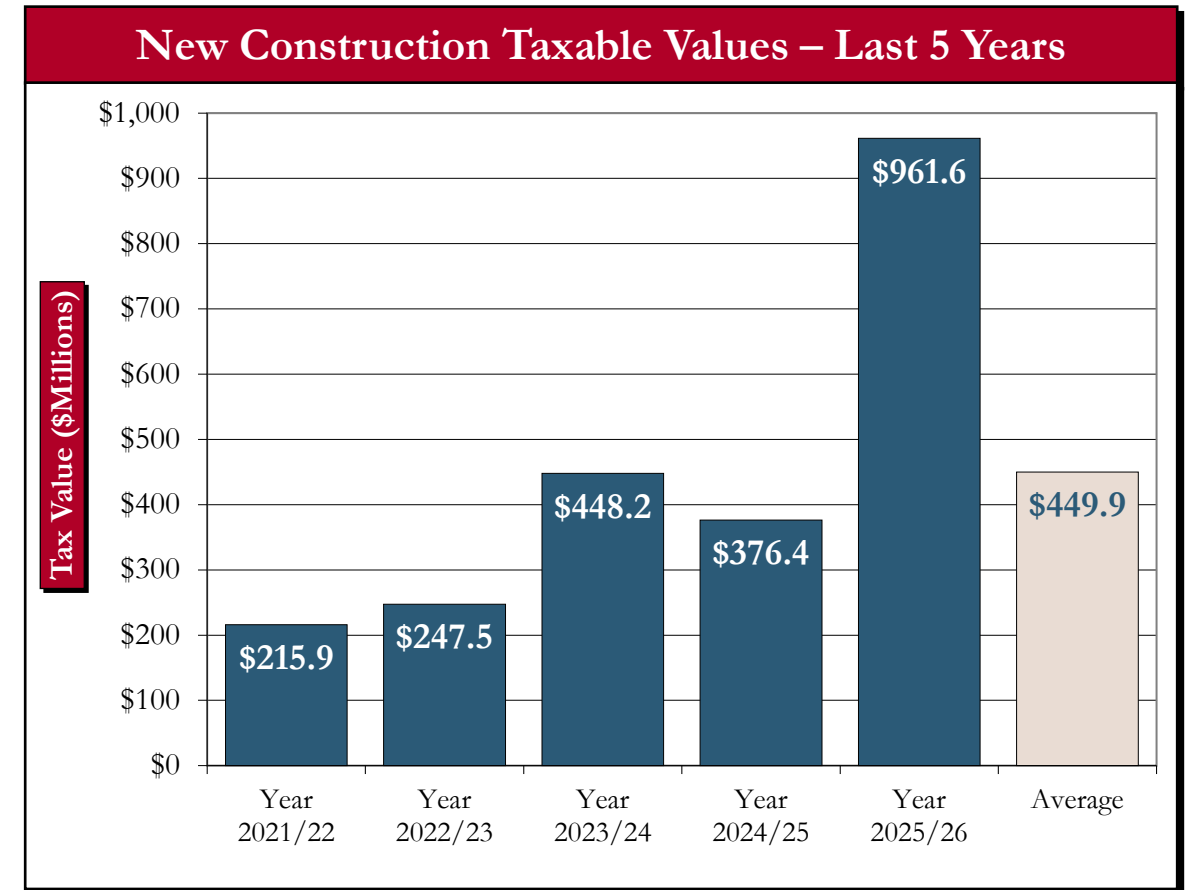
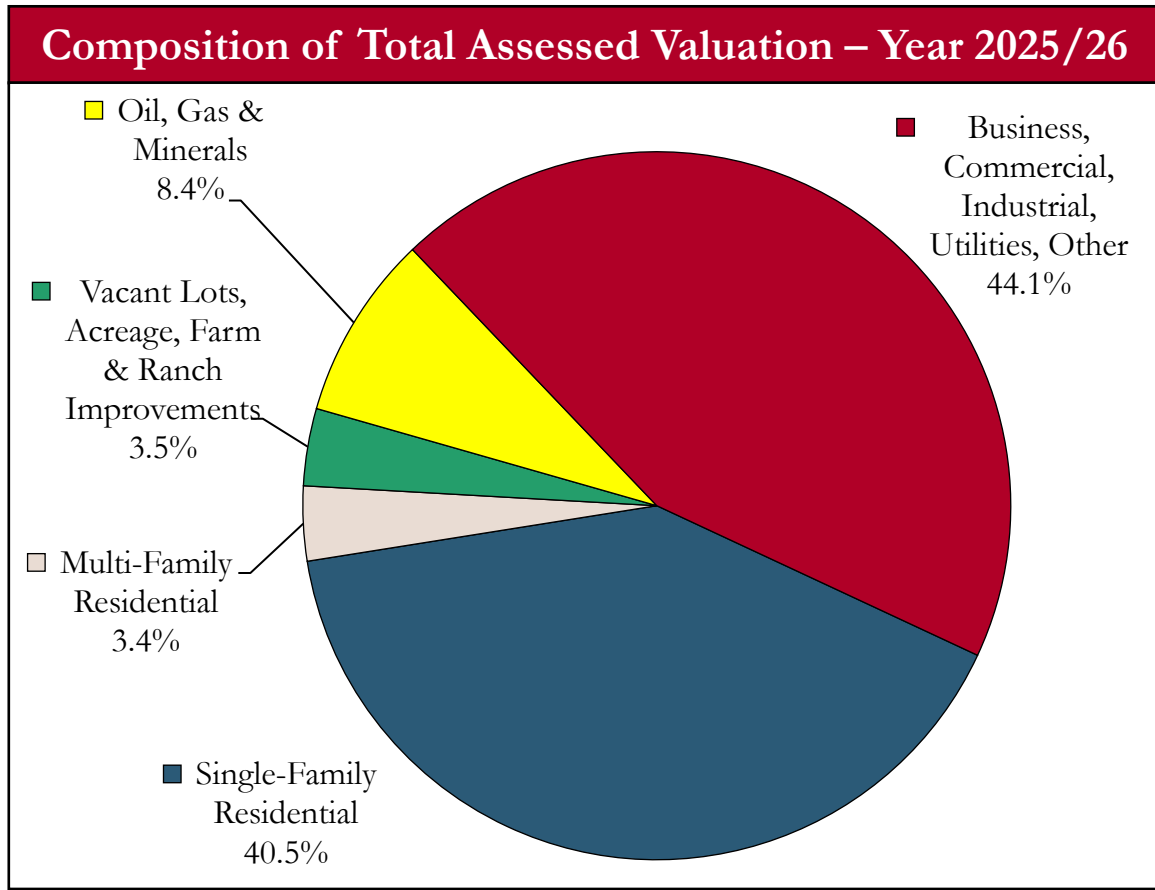
- ❑ This Preliminary Financing Plan assumes Ector County ISD’s “base” taxable value (i.e., net of existing Chapter 313 Agreements) will decrease by \$2 billion in year 2026/27 (i.e., next tax year) and remain constant thereafter.



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

Single-Family Residential properties comprise 40.5% of ECISD's total assessed valuation, while Business, Commercial, Industrial and Utility properties will comprise 44.1% for year 2025/26.

On average, Ector County ISD's tax base has annually increased by \$449.9 million over the last 5 years as a result of "new construction" within the District.





# Future Potential Tax Value Growth – Chapter 313 Agreements

□ Ector County ISD is projected to gain significant tax value as a result of the Chapter 313 Agreements summarized below, assuming they come to fruition. Other than tax value associated with Oberon Solar 1A, LLC and GCC Permian LLC, none of the projected tax values associated with the remaining 313 Agreements are included within this financing plan.

Summary of Current and Projected Tax Values from 313 Agreements															Total 313 Agreements @ 100%	"Base Taxable Value" (Net of Frozen Values)	"Total Taxable Value" (Net of Frozen Values)
Year	Oberon Solar 1A, LLC	GCC Permian LLC	1PointFive PI, LLC	Quail Run Carbon, LLC	DG Penwell North LLC	Ophelia Solar LLC	1PointFive PI, LLC (Build 1 of 6)	1PointFive PI, LLC (Build 2 of 6)	1PointFive PI, LLC (Build 3 of 6)	1PointFive PI, LLC (Build 4 of 6)	1PointFive PI, LLC (Build 5 of 6)	1PointFive PI, LLC (Build 6 of 6)					
2024/25	\$83,884,943	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$83,884,943	\$17,576,122,857	\$17,660,007,800	
2025/26	71,076,524	164,012,020	0	0	0	0	0	0	0	0	0	0	0	235,088,544	18,078,883,845	18,313,972,389	
2026/27	58,500,000	324,063,383	682,295,898	362,691,746	185,000,000	138,000,000	74,099,965	0	0	0	0	0	0	1,824,650,992	16,078,883,845	17,903,534,837	
2027/28	45,000,000	301,378,946	652,630,859	337,407,595	169,275,000	126,000,000	927,111,190	82,638,690	0	0	0	0	0	2,641,442,280	16,078,883,845	18,720,326,125	
2028/29	36,000,000	280,282,420	622,965,821	313,890,728	153,610,000	114,000,000	1,673,280,605	1,033,944,540	75,504,560	0	0	0	0	4,303,478,674	16,078,883,845	20,382,362,519	
2029/30	31,500,000	260,662,650	593,300,782	292,017,499	137,917,500	100,500,000	1,723,255,000	1,866,096,930	944,684,960	89,174,604	0	0	0	6,039,109,925	16,078,883,845	22,117,993,770	
2030/31	31,500,000	242,416,265	563,635,744	271,672,921	122,220,000	87,000,000	3,218,748,180	1,921,830,000	1,704,998,320	1,115,719,464	84,797,118	32,900,000	0	9,397,438,012	16,078,883,845	25,476,321,857	
2031/32	31,500,000	225,447,126	533,970,705	252,750,045	106,522,500	73,500,000	3,084,633,675	3,589,652,614	1,755,920,000	2,013,686,988	1,060,949,988	113,503,543	0	12,842,037,184	16,078,883,845	28,920,921,029	
2032/33	31,500,000	209,665,827	504,305,667	235,149,416	90,825,000	58,500,000	2,950,519,171	3,440,083,758	3,279,760,862	2,073,828,000	1,914,837,246	1,041,381,538	0	15,830,356,485	16,078,883,845	31,909,240,330	
2033/34	31,500,000	194,989,219	474,640,628	218,778,538	75,127,500	45,000,000	2,816,404,666	3,290,514,902	3,143,104,162	3,873,559,109	1,972,026,000	1,853,040,471	0	17,988,685,195	16,078,883,845	34,067,569,040	
2034/35	31,500,000	181,339,974	444,975,590	203,551,379	59,430,000	36,000,000	2,682,290,161	3,140,946,046	3,006,447,462	3,712,160,815	3,683,410,232	1,907,401,000	0	19,089,452,659	16,078,883,845	35,168,336,504	
2035/36	31,500,000	168,646,176	415,310,551	189,387,934	43,732,500	31,500,000	2,548,175,656	2,991,377,190	2,869,790,763	3,550,762,522	3,529,934,809	3,562,701,688	0	19,932,819,789	16,078,883,845	36,011,703,634	
2036/37	31,500,000	156,840,944	385,645,513	176,213,809	37,260,000	31,500,000	2,414,061,151	2,841,808,334	2,733,134,063	3,389,364,229	3,376,459,385	3,414,255,788	0	18,988,043,216	16,078,883,845	35,066,927,061	
2037/38	31,500,000	145,862,077	355,980,474	163,959,794	37,245,000	31,500,000	2,279,946,646	2,692,239,478	2,596,477,363	3,227,965,936	3,222,983,962	3,265,809,887	0	18,051,470,617	16,078,883,845	34,130,354,462	
2038/39	31,500,000	135,651,732	326,315,435	152,561,532	37,230,000	31,500,000	2,145,832,141	2,542,670,622	2,459,820,663	3,066,567,643	3,069,508,538	3,117,363,986	0	17,116,522,292	16,078,883,845	33,195,406,137	
2039/40	31,500,000	126,156,111	296,650,397	152,561,532	37,215,000	31,500,000	2,011,717,636	2,393,101,766	2,323,163,963	2,905,169,350	2,916,033,115	2,968,918,085	0	16,193,686,955	16,078,883,845	32,272,570,800	
2040/41	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,877,603,131	2,243,532,910	2,186,507,263	2,743,771,057	2,762,557,692	2,820,472,184	0	15,310,012,277	16,078,883,845	31,388,896,122	
2041/42	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,743,488,626	2,093,964,054	2,049,850,563	2,582,372,764	2,609,082,268	2,672,026,284	0	14,426,352,599	16,078,883,845	30,505,236,444	
2042/43	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,609,374,121	1,944,395,198	1,913,193,863	2,420,974,471	2,455,606,845	2,523,580,383	0	13,542,692,921	16,078,883,845	29,621,576,766	
2043/44	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,794,826,342	1,776,537,163	2,259,576,178	2,302,131,422	2,375,134,482	0	12,659,033,243	16,078,883,845	28,737,917,088	
2044/45	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,639,880,463	2,098,177,885	2,148,655,998	2,226,688,581	0	11,909,488,069	16,078,883,845	27,988,371,914	
2045/46	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,936,779,592	1,995,180,575	2,078,242,680	0	11,309,511,752	16,078,883,845	27,388,395,597	
2046/47	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,841,705,152	1,929,796,779	0	10,846,192,135	16,078,883,845	26,925,075,980	
2047/48	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,688,229,728	1,781,350,879	0	10,544,270,811	16,078,883,845	26,623,154,656	
2048/49	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,688,229,728	1,632,904,978	0	10,395,824,910	16,078,883,845	26,474,708,755	
2049/50	31,500,000	126,156,111	296,650,397	152,561,532	37,200,000	31,500,000	1,475,259,616	1,645,257,486	1,503,223,763	1,775,381,299	1,688,229,728	1,632,904,978	0	10,395,824,910	16,078,883,845	26,474,708,755	

Note: The “green” highlights the 10-year limitation period associated with each agreement.



# Preliminary Financing Plan – Remaining 2023 Bond Program (Continued)

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

Series 2025 Bonds – Summary of Projected Results	
Description	Estimated Results
Dollar Amount of Bonds to be Issued – Series 2025 Bonds	\$ 128,033,000
Projected True Interest Cost (“All-In TIC”)	4.44%
Projected I&S Tax Rate Increase	--- Cents
Projected Net Bond Payments – Series 2025 Bonds	\$ 189,065,452
Projected Bond Repayments – 5 Years (i.e., Years 2025/26 – 2029/30)	\$ 31,530,000
Projected Bond Repayments – 10 Years (i.e., Years 2025/26 – 2034/35)	53,755,000
Projected Bond Repayments – 15 Years (i.e., Years 2025/26 – 2039/40)	89,825,000
Final Maturity – Series 2025 Bonds	Aug. 15, 2044



# Preliminary Financing Plan – Remaining 2023 Bond Program (Continued)

- Based upon the Preliminary Financing Plan herein, the 2023 Bond Program is projected to be fully implemented with **no tax rate increase** and at **\$126,060,921 below** the original cost communicated to voters at the time of the November 2023 bond election.

2023 Bond Program – Summary of Projected Results			
Description	Voter Information Document	Preliminary Financing Plan	Difference
Dollar Amount of Bonds to be Issued – Series 2024-A Bonds (Fixed Rate)	\$ 424,263,000	\$ 196,230,000	
Dollar Amount of Bonds to be Issued – Series 2024-B Bonds (Variable Rate)	---	100,000,000	
Dollar Amount of Bonds to be Issued – Series 2025 Bonds (Fixed Rate)	---	128,033,000	
<b>Total Dollar Amount of Bonds to be Issued – 2023 Bond Program</b>	<b>\$ 424,263,000</b>	<b>\$ 424,263,000</b>	<b>\$ ---</b>
All-In TIC – Series 2024-A Bonds (Fixed Rate)	5.25%	3.77%	1.48%
All-In TIC – Series 2024-B Bonds – Initial Term (Variable Rate)	5.25%	3.62%	1.63%
Projected All-In TIC – Series 2025 Bonds (Fixed Rate)	5.25%	4.44%	0.81%
Projected I&S Tax Rate Increase	--- Cents	--- Cents	--- Cents
Projected Net Bond Payments – 2023 Bond Program	\$ 796,725,700	\$ 670,664,779	\$ 126,060,921
Projected Bond Repayments – 5 Years	\$ 51,725,000	\$ 102,370,000	\$ 50,645,000
Projected Bond Repayments – 10 Years	97,820,000	151,200,000	53,380,000
Final Maturity – 2023 Bond Program	Aug. 2049	Aug. 2049	---

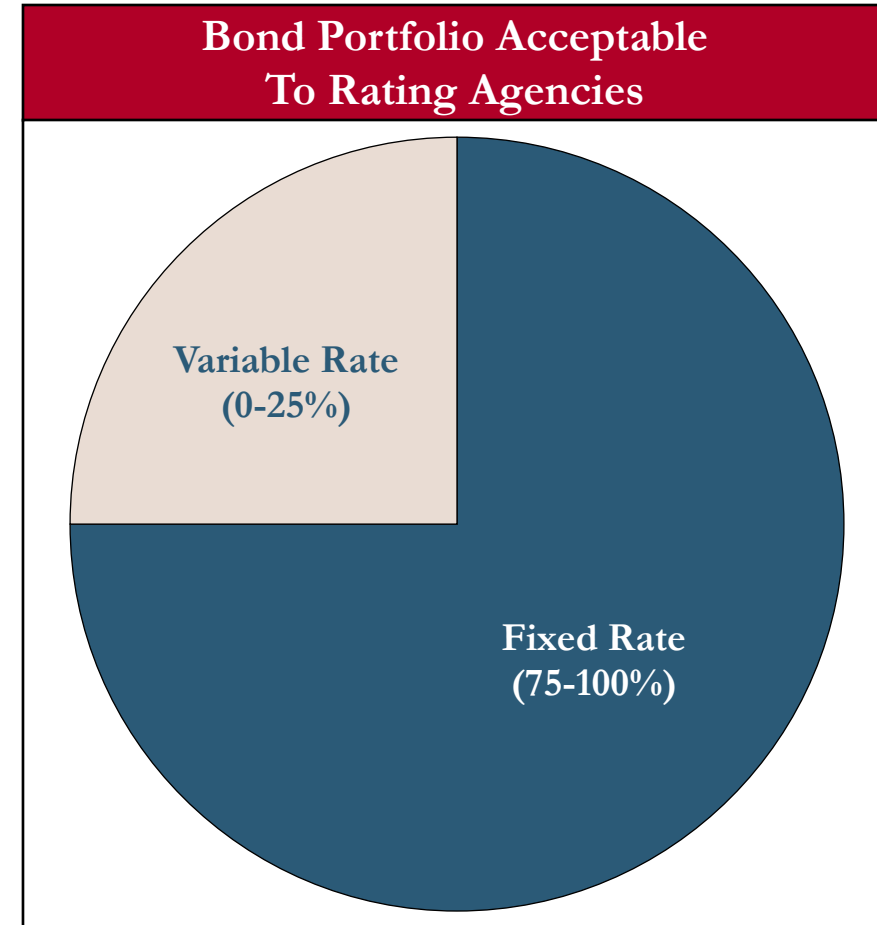
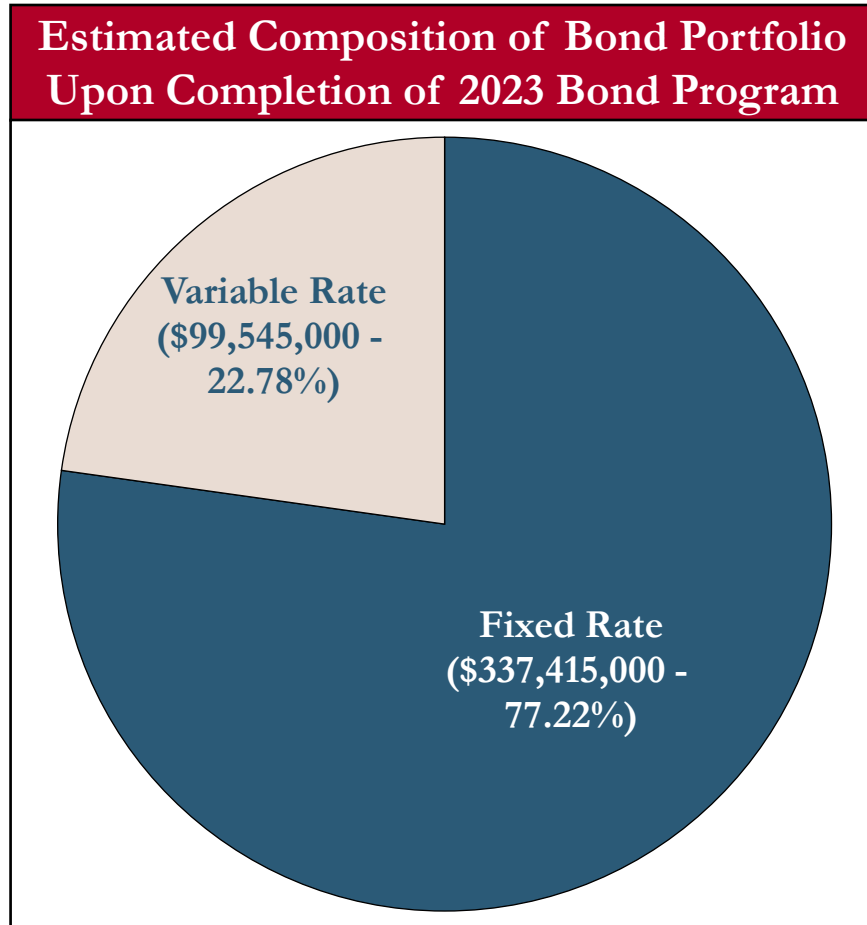


# Preliminary Financing Plan – Remaining 2023 Bond Program (Continued)

Preliminary Financing Plan - Sell Remaining \$128,033,000 From The 2023 Bond Program - No TAV Growth [As of August 4, 2025]															
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	
Year	Total Existing Bond Payments	Plus: August-25 Fixed Rate Series 2025 \$128,033,000 @ 4.44%	Total Combined Bond Payments	Less: Projected IFA & EDA State Funding Assistance	Less: Projected ASAHE State Funding Assistance	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Less: Capitalized Interest - Series 2025	Net Combined Bond Payments	"Base" Taxable Assessed Valuation (Net of Frozen)	Oberon Solar 1A, LLC 313 Agreement	GCC Permian, LLC 313 Agreement	"Total" Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference	
2024/25	\$48,764,823	\$17,023	\$48,781,846	\$0	\$943,929	\$604,852	\$17,023	\$47,216,042	\$17,576,122,857	\$83,884,943	\$0	\$17,660,007,800	\$0.2544		
2025/26	29,841,997	19,576,952	49,418,949	0	2,689,315	604,852	0	46,124,782	18,078,883,845	71,076,524	164,012,020	18,313,972,389	0.2544	\$0.0000	
2026/27	29,799,497	9,579,750	39,379,247	0	2,451,874	604,852	0	36,322,521	16,078,883,845	58,500,000	324,063,383	16,461,447,228	0.2229	(\$0.0315)	
2027/28	30,764,947	9,298,000	40,062,947	0	3,214,516	604,852	0	36,243,579	16,078,883,845	45,000,000	301,378,946	16,425,262,791	0.2229		
2028/29	30,739,697	9,260,000	39,999,697	0	3,214,396	604,852	0	36,180,449	16,078,883,845	36,000,000	280,282,420	16,395,166,265	0.2229		
2029/30	20,666,697	8,998,750	29,665,447	0	2,662,047	604,852	0	26,398,548	16,078,883,845	31,500,000	260,662,650	16,371,046,495	0.1629	(\$0.0600)	
2030/31	20,671,197	8,965,000	29,636,197	0	2,661,702	604,852	0	26,369,643	16,078,883,845	31,500,000	242,416,265	16,352,800,110	0.1629		
2031/32	20,669,859	8,942,500	29,612,359	0	2,662,259	604,852	0	26,345,248	16,078,883,845	31,500,000	225,447,126	16,335,830,971	0.1629		
2032/33	20,669,389	7,800,250	28,469,639	0	1,544,765	604,852	0	26,320,022	16,078,883,845	31,500,000	209,665,827	16,320,049,672	0.1629		
2033/34	20,665,389	7,778,750	28,444,139	0	1,544,696	604,852	0	26,294,591	16,078,883,845	31,500,000	194,989,219	16,305,373,064	0.1629		
2034/35	20,671,139	7,749,250	28,420,389	0	1,544,630	604,852	0	26,270,907	16,078,883,845	31,500,000	181,339,974	16,291,723,819	0.1629		
2035/36	13,669,889	15,126,750	28,796,639	0	1,941,210	604,852	0	26,250,577	16,078,883,845	31,500,000	168,646,176	16,279,030,021	0.1629		
2036/37	20,823,650	7,550,500	28,374,150	0	1,536,101	604,852	0	26,233,197	16,078,883,845	31,500,000	156,840,944	16,267,224,789	0.1629		
2037/38	20,824,400	7,534,250	28,358,650	0	1,536,243	604,852	0	26,217,555	16,078,883,845	31,500,000	145,862,077	16,256,245,922	0.1629		
2038/39	20,819,900	7,522,500	28,342,400	0	1,536,275	604,852	0	26,201,273	16,078,883,845	31,500,000	135,651,732	16,246,035,577	0.1629		
2039/40	12,938,900	10,839,500	23,778,400	0	1,289,600	604,852	0	21,883,948	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361	(\$0.0268)	
2040/41	12,938,650	10,838,250	23,776,900	0	1,289,519	604,852	0	21,882,529	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2041/42	12,943,150	10,835,750	23,778,900	0	1,289,627	604,852	0	21,884,421	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2042/43	12,941,400	10,836,000	23,777,400	0	1,289,546	604,852	0	21,883,002	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2043/44	13,742,900	10,032,750	23,775,650	0	1,289,451	604,852	0	21,881,347	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2044/45	23,776,650	0	23,776,650	0	1,289,505	604,852	0	21,882,293	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361	\$0.0000	
2045/46	23,775,500	0	23,775,500	0	1,289,443	604,852	0	21,881,205	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2046/47	23,777,500	0	23,777,500	0	1,289,552	604,852	0	21,883,096	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2047/48	23,775,500	0	23,775,500	0	1,289,443	604,852	0	21,881,205	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
2048/49	23,777,250	0	23,777,250	0	1,289,538	604,852	0	21,882,860	16,078,883,845	31,500,000	126,156,111	16,236,539,956	0.1361		
<b>Total</b>	<b>\$554,449,867</b>	<b>\$189,082,475</b>	<b>\$743,532,342</b>	<b>\$0</b>	<b>\$44,579,182</b>	<b>\$15,121,300</b>	<b>\$17,023</b>	<b>\$683,814,837</b>							

# Composition of Projected Bond Portfolio

- Upon completion of the Series 2025 Bond sale, variable rate bonds are expected to comprise 22.78% of the District's total bond portfolio, which remains within the expectations of the bond rating agencies and, generally speaking, prudent debt management standards.





# Summary of Ector County ISD’s Estimated Callable Bonds – After the Sale of the Series 2025 Bonds

- ❑ Upon completion of the Series 2025 Bond sale, Ector County ISD is estimated to have \$294,760,000 of bonds eligible to be repaid prior to maturity.

Estimated Summary of Callable Unlimited Tax Bonds - Upon Completion of the Series 2025 Bond Sale						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Variable Rate Unlimited Tax School Building Bonds, Series 2024-B	08/15/2027	\$ 99,545,000	\$ 99,545,000	2044 - 2049	2049	Variable
Unlimited Tax Refunding Bonds, Taxable Series 2020-B	08/15/2030	47,110,000	21,480,000	2031; 2032; 2036	2036	1.750% - 2.190%
Unlimited Tax School Building Bonds, Series 2024-A	08/15/2033	162,275,000	99,460,000	2034 - 2045	2045	4.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2025	08/15/2034	128,030,000	74,275,000	2035 - 2044	2044	To Be Determined
<b>Totals</b>	---	<b>\$ 436,960,000</b>	<b>\$ 294,760,000</b>	---	---	---

- ❑ Pursuant to State law, the District may annually manage its tax rate by utilizing current year debt service tax collections and other lawfully available funds to “prepay” existing bonds prior to maturity by either:
  - Repaying such bonds on their call date (if the call date is within the current fiscal year); or
  - Placing sufficient funds in an escrow account to repay such bonds on their call date (if the call date is in a subsequent fiscal year).



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

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- ❑ As previously utilized for prior bond sales, Ector County ISD’s Board of Trustees may adopt a “Parameters Bond Order” designating the ability to approve the issuance of the Series 2025 Bonds to the District’s Administration if each of the established parameters is met.
  
- ❑ The Board of Trustees may consider a “Parameters Bond Order” at a potential Tuesday, August 12, 2025 Board meeting and the following is a representative listing of the primary parameters we would currently recommend for the Series 2025 Bonds:
  - 1) Maximum principal amount of bonds to be issued – \$128,033,000;
  - 2) Maximum “All-In” True Interest Rate (must not exceed) – 5.00%;
  - 3) Final maturity of the Series 2025 Bonds – August 15, 2044; and
  - 4) Sale must be completed prior to August 11, 2026 (i.e., 1 year).
  
- ❑ Unless each parameter listed above can be achieved, the Series 2025 Bonds will not be issued until additional direction is received from the District.



# Preliminary Timetable – Series 2025 Bonds

August 2025						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30
31						

September 2025						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30				

October 2025						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Board Meeting
  Closing – Receipt of Funds

Preliminary Timetable – Series 2025 Bonds	
Date*	Action Necessary
August 12, 2025	Special Board Meeting – Discuss Preliminary Financing Plan for the potential sale of Unlimited Tax School Building Bonds, Series 2025 (the “Series 2025 Bonds”) and consider a “Parameters Bond Order” authorizing the issuance of the Series 2025 Bonds.
August 12, 2025	Completion of all actions necessary to sell the Series 2025 Bonds (i.e. Preliminary Official Statement is completed, the Permanent School Fund guarantee is received, obtain bond ratings, etc.).
To Be Determined	Bond Sale – Pricing of the Series 2025 Bonds pursuant to specified parameters and the District’s Administration approves the necessary legal documents – Interest rates locked-in at this time.
August 27, 2025	Closing – Proceeds of the Series 2025 Bonds are delivered to the District.

\* Preliminary, subject to change.





## Ector County Independent School District

### Action Page

**TO:** Board of Trustees

**FROM:** Albessa Chavez, Chief Financial Officer

**SUBJECT:** **DISCUSS AND TAKE ACTION TO ADOPT AN ORDER AUTHORIZING THE ISSUANCE OF UP TO \$128,033,000 ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2025 FOR PURPOSES APPROVED BY VOTERS AT NOVEMBER 7, 2023 BOND ELECTION; ESTABLISHING SALE PARAMETERS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING AN OFFICIAL STATEMENT; LEVYING ANNUAL AD VALOREM TAXES IN PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT**

**DATE:** August 12, 2025

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As our financial advisory presented in the financing options, selling these fixed rate bonds provides for a good mix in our bond portfolio and provides the funds needed for bond projects.

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Administrative Recommendation:

Approval of Adoption of an Order Authorizing the Issuance of up to \$128,033,000 *Ector County Independent School District Unlimited Tax School Building Bonds, Series 2025 for Purposes Approved by Voters at November 7, 2023 Bond Election; Establishing Sale Parameters; Authorizing the Execution of a Bond Purchase Agreement and a Paying Agent/Registrar Agreement; Approving an Official Statement; Levying Annual Ad Valorem Taxes in Payment of said Bonds; and Enacting other Provisions Relating to the Subject.*

ORDER AUTHORIZING THE ISSUANCE OF UP TO \$128,033,000 ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2025 FOR PURPOSES APPROVED BY VOTERS AT NOVEMBER 7, 2023 BOND ELECTION; ESTABLISHING SALE PARAMETERS; AUTHORIZING THE EXECUTION OF A BOND PURCHASE AGREEMENT AND A PAYING AGENT/REGISTRAR AGREEMENT; APPROVING AN OFFICIAL STATEMENT; LEVYING ANNUAL AD VALOREM TAXES IN PAYMENT OF SAID BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §  
COUNTY OF ECTOR §  
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT §

WHEREAS, a portion of the hereinafter authorized bonds represent the issuance of a portion of the bonds lawfully and favorably voted and approved by voters of the Ector County Independent School District (the "Issuer") on November 7, 2023 (the "Bond Election"), for the purpose of the construction, renovation, acquisition and equipment of school buildings in the Issuer, the purchase of the necessary sites for school buildings, and the purchase of new school buses; and

WHEREAS, the Board of Trustees of the District deems it necessary and advisable to authorize, issue and deliver up to \$128,033,000 of said voted bond authorization from the Bond Election for the purposes stated in the preceding paragraph, thereby leaving a balance of voted but unissued bonds from the Election of \$0, with the final amounts of said voted authorization and final terms of the bonds to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer (hereinafter designated), all in accordance with the provisions of Section 1371.004, Texas Government Code; and

WHEREAS, the Issuer is an "issuer" under Section 1371.001(4)(P), Texas Government Code, having (i) a principal amount of at least \$100 million in outstanding long-term indebtedness, in long-term indebtedness proposed to be issued, or in a combination of outstanding or proposed long-term indebtedness and (ii) some amount of long-term indebtedness outstanding or proposed to be issued that is rated in one of the four highest rating categories for long-term debt instruments by a nationally recognized rating agency for municipal securities, without regard to the effect of any credit agreement or other form of credit enhancement entered into in connection with the obligation; and

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

WHEREAS, it is officially found, determined and declared that the meeting at which this Order has been adopted was open to the public, and public notice of the date, hour, place and subject of said meeting, including this Order, was given, all as required by the applicable provisions of Chapter 551, Texas Government Code.

THEREFORE, BE IT ORDERED BY THE BOARD OF TRUSTEES OF ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT:

Section 1. RECITALS, AMOUNT, PURPOSE AND DESIGNATION OF THE BONDS.

(a) The recitals set forth in the preamble hereof are incorporated herein and shall have the same force and effect as if set forth in this Section.

(b) The bonds of Ector County Independent School District (the “Issuer”) are hereby authorized to be issued and delivered, in one or more series, in the maximum aggregate principal amount hereinafter set forth (i) for the purpose of the construction, renovation, acquisition and equipment of school buildings in the Issuer, the purchase of the necessary sites for school buildings, and the purchase of new school buses, and (ii) to pay the costs incurred in connection with the issuance of the Bonds (collectively, the “Projects”).

(c) Each bond issued pursuant to this Order shall be designated: “Ector County Independent School District Unlimited Tax School Building Bond, Series 2025,” and initially there shall be issued, sold, and delivered hereunder fully registered Bonds, without interest coupons, payable to the respective registered owners thereof (with the initial bond of each series being made payable to the initial purchaser thereof as described in Section 11 hereof), or to the registered assignee or assignees of said bonds or any portion or portions thereof (in each case, the “Registered Owner”). The Bonds shall be in the respective denominations and principal amounts, shall be numbered, shall mature and be payable on the date or dates in each of the years and in the principal amounts or amounts due at maturity, as applicable, and shall bear interest to their respective dates of maturity or redemption prior to maturity at the rates per annum, as set forth in the Pricing Certificate.

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

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

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

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

“Bonds” means and includes collectively the Bond initially issued and delivered pursuant to this Order (the “Initial Bond”) and all substitute Bonds and Bonds exchanged therefor, as well as all other substitute bonds and replacement bonds issued pursuant hereto, and the term “Bond” shall mean any of the Bonds.

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

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

“Financial Obligation” means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that “financial obligation” shall not include municipal securities (as defined in the Securities Exchange

Act of 1934, as amended) as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

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

“Issuer” shall mean the Ector County Independent School District, located in Ector County, Texas.

“MSRB” shall mean the Municipal Securities Rulemaking Board.

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

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

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

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

“State” means the State of Texas.

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

### Section 3. DELEGATION TO PRICING OFFICER.

(a) As authorized by Section 1371.053, Texas Government Code, as amended, the Superintendent and/or Chief Financial Officer of the Issuer (each a “Pricing Officer”) are hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds and carrying out the other procedures specified in this Order, including with respect to each series of Bonds, determining the date of the Bonds, any additional or different designation or title by which the Bonds shall be known, the price at which the Bonds will be sold, the years in which the Bonds will mature, the principal amount to mature in each of such years, the rate of interest to be borne by each such maturity, the interest payment and record dates, the price and terms upon and at which the Bonds shall be subject to redemption prior to maturity at the option of the Issuer, as well as any mandatory sinking fund redemption provisions, whether the Bonds shall be issued on a tax-exempt basis or on a taxable basis, whether the Bonds shall be designated as “qualified tax-exempt obligations” as defined in section 265(b)(3) of the Code, and all other matters relating to the issuance, sale, and delivery of the Bonds, including without limitation obtaining the Permanent School Fund guarantee for the Bonds, if available, and/or procuring municipal bond insurance, including the execution of any commitment agreements, credit agreements, membership agreements in mutual insurance companies, and other similar agreements, and approving modifications to this Order, including without limitation changing the definition of Defeasance Securities as provided in Section 7 hereof, and executing such instruments, documents and agreements as may be necessary with respect thereto, if it is determined that such insurance would

be financially desirable and advantageous, all of which shall be specified in the Pricing Certificate, provided that:

(i) the aggregate original principal amount of the Bonds shall not exceed \$128,033,000;

(ii) no bond shall mature after August 15, 2044; and

(iii) the all-in true interest cost for the Bonds shall not exceed 5.00%.

(b) In establishing the aggregate principal amount of the Bonds, the Pricing Officer shall establish an amount not exceeding the amount authorized in subsection (a) of this Section which shall be sufficient in amount to provide for the purposes for which the Bonds are authorized and to pay costs of issuing the Bonds. The delegation made hereby shall expire if not exercised by the Pricing Officer on or prior to one year following adoption of this Order. It is further provided, however, that notwithstanding the foregoing provisions, the Bonds shall not be delivered unless prior to delivery, the Bonds have been rated by a Rating Agency for in one of the four highest rating categories for long term obligations, as required by Chapter 1371. The Bonds shall be sold with and subject to such terms as set forth in the Pricing Certificate.

(c) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Board of Trustees hereby determines that the delegation of the authority to the Pricing Officer to approve the final terms of the Bonds set forth in this Order is, and the decisions made by the Pricing Officer pursuant to such delegated authority and incorporated into the Pricing Certificate will be, in the Issuer's best interests, and the Pricing Officer is hereby authorized to make and include in the Pricing Certificate a finding to that effect.

#### Section 4. CHARACTERISTICS OF THE BONDS.

(a) Registration, Transfer, Conversion, and Exchange; Authentication. The Issuer shall keep or cause to be kept at the designated corporate trust office of the Paying Agent/Registrar books or records for the registration of the transfer, conversion, and exchange of the Bonds (the "Registration Books"), and the Issuer hereby appoints the Paying Agent/Registrar as its registrar and transfer agent to keep such books or records and make such registrations of transfers, conversions, and exchanges under such reasonable regulations as the Issuer and Paying Agent/Registrar may prescribe; and the Paying Agent/Registrar shall make such registrations, transfers, conversions, and exchanges as herein provided. The Paying Agent/Registrar shall obtain and record in the Registration Books the address of the Registered Owner of each Bond to which payments with respect to the Bonds shall be mailed, as herein provided; but it shall be the duty of each Registered Owner to notify the Paying Agent/Registrar in writing of the address to which payments shall be mailed, and such interest payments shall not be mailed unless such notice has been given. To the extent possible and under reasonable circumstances, all transfers of Bonds shall be made within three business days after request and presentation thereof. The Issuer shall have the right to inspect the Registration Books during regular business hours of the Paying Agent/Registrar, but otherwise the Paying Agent/Registrar shall keep the Registration Books confidential and, unless otherwise required by law, shall not permit their inspection by any other entity. The Paying Agent/Registrar's standard or customary fees and charges for making such registration, transfer, conversion, exchange, and delivery of a substitute Bond or Bonds shall be paid as provided in the FORM OF BOND set forth in this Order. Registration of assignments,

transfers, conversions, and exchanges of Bonds shall be made in the manner provided and with the effect stated in the FORM OF BOND set forth in this Order. Each substitute Bond shall bear a letter and/or number to distinguish it from each other Bond.

An authorized representative of the Paying Agent/Registrar shall, before the delivery of any Bond, date and manually sign the Paying Agent/Registrar's Authentication Certificate, and, except as provided in subsection (c) of this Section, no Bond shall be deemed to be issued or outstanding unless such Paying Agent/Registrar's Authentication Certificate is so executed. The Paying Agent/Registrar promptly shall cancel all paid Bonds and Bonds surrendered for conversion and exchange. No additional ordinances, orders, or resolutions need be passed or adopted by the governing body of the Issuer or any other body or person so as to accomplish the foregoing conversion and exchange of any Bond or portion thereof, and the Paying Agent/Registrar shall provide for the printing, execution, and delivery of the substitute Bonds in the manner prescribed herein. Pursuant to Subchapter D, Chapter 1201, Texas Government Code, the duty of conversion and exchange of Bonds as aforesaid is hereby imposed upon the Paying Agent/Registrar and, upon the execution of said Paying Agent/Registrar's Authentication Certificate, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Initial Bond.

(b) Payment of Bonds and Interest. The Issuer hereby further appoints the Paying Agent/Registrar to act as the paying agent for paying the principal of and interest on the Bonds, all as provided in this Order. The Paying Agent/Registrar shall keep proper records of all payments made by the Issuer and the Paying Agent/Registrar with respect to the Bonds, and of all conversions and exchanges of Bonds, and all replacements of Bonds, as provided in this Order. However, in the event of a nonpayment of interest on a scheduled payment date, and for thirty (30) days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five (5) business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each Registered Owner appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

(c) In General. The Bonds (i) shall be issued in fully registered form, without interest coupons, with the principal of and interest on such Bonds to be payable only to the Registered Owners thereof, (ii) may or shall be redeemed prior to their scheduled maturities, (iii) may be transferred and assigned, (iv) may be converted and exchanged for other Bonds, (v) shall have the characteristics, (vi) shall be signed, sealed, executed, and authenticated, (vii) shall have principal and interest payable, and (viii) shall be administered by the Paying Agent/Registrar, and the Issuer shall have certain duties and responsibilities with respect to the Bonds, all as provided, and in the manner and to the effect as required or indicated, in the FORM OF BOND set forth in this Order. The Bond initially issued and delivered pursuant to this Order is not required to be, and shall not be, authenticated by the Paying Agent/Registrar, but on each substitute Bond issued in conversion of and exchange for any Bond or Bonds issued under this Order the Paying Agent/Registrar shall execute the Paying Agent/Registrar's Authentication Certificate, in the form set forth in the FORM OF BOND.

(d) Substitute Paying Agent/Registrar. The Issuer covenants with the Registered Owners of the Bonds that at all times while the Bonds are outstanding the Issuer will provide a

competent and legally qualified bank, trust company, financial institution, or other agency to act as and perform the services of Paying Agent/Registrar for the Bonds under this Order, and that the Paying Agent/Registrar will be a single entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 120 days written notice to the Paying Agent/Registrar, to be effective not later than 60 days prior to the next principal or interest payment date after such notice. In the event that the entity at any time acting as Paying Agent/Registrar (or its successor by merger, acquisition, or other method) should resign or otherwise cease to act as such, the Issuer covenants that promptly it will appoint a competent and legally qualified bank, trust company, financial institution, or other agency to act as Paying Agent/Registrar under this Order. Upon any change in the Paying Agent/Registrar, the previous Paying Agent/Registrar promptly shall transfer and deliver the Registration Books (or a copy thereof), along with all other pertinent books and records relating to the Bonds, to the new Paying Agent/Registrar designated and appointed by the Issuer. Upon any change in the Paying Agent/Registrar, the Issuer promptly will cause a written notice thereof to be sent by the new Paying Agent/Registrar to each Registered Owner of the Bonds, by United States mail, first-class postage prepaid, which notice also shall give the address of the new Paying Agent/Registrar. By accepting the position and performing as such, each Paying Agent/Registrar shall be deemed to have agreed to the provisions of this Order, and a certified copy of this Order shall be delivered to each Paying Agent/Registrar.

(e) Book-Entry Only System. The Bonds issued in exchange for the Initial Bond shall be initially issued in the form of a separate, single, fully registered Bond for each of the maturities thereof. Upon initial issuance, the ownership of each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company of New York (“DTC”), and except as provided in subsection (f) hereof, all of the outstanding Bonds shall be registered in the name of Cede & Co., as nominee of DTC.

With respect to Bonds registered in the name of Cede & Co., as nominee of DTC, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation to any securities brokers and dealers, banks, trust companies, clearing corporations, or certain other organizations on whose behalf DTC was created (“DTC Participant”) to hold securities to facilitate the clearance and settlement of securities transactions among DTC Participants or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the Issuer and the Paying Agent/Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown on the Registration Books, of any notice with respect to the Bonds, or (iii) the payment to any DTC Participant or any other person, other than a Registered Owner of Bonds, as shown in the Registration Books of any amount with respect to principal of or interest on the Bonds. Notwithstanding any other provision of this Order to the contrary, the Issuer and the Paying Agent/Registrar shall be entitled to treat and consider the person in whose name each Bond is registered in the Registration Books as the absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Paying Agent/Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the Registered Owners, as shown in the Registration Books as provided in this Order, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the Issuer’s obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Registered Owner, as shown in

the Registration Books, shall receive a Bond certificate evidencing the obligation of the Issuer to make payments of principal and interest pursuant to this Order. Upon delivery by DTC to the Paying Agent/Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions in this Order with respect to interest checks being mailed to the Registered Owner at the close of business on the Record date, the words “Cede & Co.” in this Order shall refer to such new nominee of DTC.

(f) Successor Securities Depository; Transfers Outside Book-Entry Only System. In the event that the Issuer determines that DTC is incapable of discharging its responsibilities described herein and in the Blanket Issuer Letter of Representation of the Issuer to DTC or that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the Issuer shall (i) appoint a successor securities depository, qualified to act as such under Section 17A of the Securities and Exchange Act of 1934, as amended, notify DTC and DTC Participants of the appointment of such successor securities depository and transfer one or more separate Bonds to such successor securities depository or (ii) notify DTC and DTC Participants of the availability through DTC of Bonds and transfer one or more separate Bonds to DTC Participants having Bonds credited to their DTC accounts. In such event, the Bonds shall no longer be restricted to being registered in the Registration Books in the name of Cede & Co., as nominee of DTC, but may be registered in the name of the successor securities depository, or its nominee, or in whatever name or names Registered Owners transferring or exchanging Bonds shall designate, in accordance with the provisions of this Order.

(g) Payments to Cede & Co. Notwithstanding any other provision of this Order to the contrary, so long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Blanket Issuer Letter of Representations of the Issuer to DTC.

(h) Cancellation of Initial Bond. On the closing date, the Initial Bond, representing the entire principal amount of the respective series of Bonds, payable in stated installments to the initial purchaser designated pursuant to Section 11 hereof or its designee, executed by manual or facsimile signature of the President and Secretary of the Board, approved by the Attorney General, and registered and manually signed by the Comptroller, will be delivered to such initial purchaser or its designee. Upon payment for the Initial Bond, the Paying Agent/Registrar shall cancel the Initial Bond and deliver to DTC on behalf of such initial purchaser one registered definitive Bond for each year of maturity of the Bonds, in the aggregate principal amount of all of the Bonds for such maturity. To the extent that the Paying Agent/Registrar is eligible to participate in DTC’s FAST System, pursuant to an agreement between the Paying Agent/Registrar and DTC, the Paying Agent/Registrar shall hold the definitive Bonds in safekeeping for DTC.

Section 5. FORM OF BONDS. The form of the Bonds, including the form of Paying Agent/Registrar’s Authentication Certificate, the form of Assignment, and the form of Registration Certificate of the Comptroller to be attached to the Initial Bond, shall be, respectively, substantially as follows, with such appropriate variations, omissions, or insertions as are permitted or required by this Order, and with the Bonds to be completed with information set forth in the Pricing Certificate.

(a) Form of Bond.

NO. R-\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF TEXAS  
COUNTY OF ECTOR  
ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT  
UNLIMITED TAX SCHOOL BUILDING BOND  
SERIES 2025

PRINCIPAL  
AMOUNT  
\$ \_\_\_\_\_

INTEREST RATE      DATE OF BONDS      MATURITY DATE      CUSIP NO.

\_\_\_\_\_, 2025

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

ON THE MATURITY DATE specified above, Ector County Independent School District, in Ector County, Texas (the "Issuer"), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the "Registered Owner") the principal amount set forth above, and to pay interest thereon from the Date of Bonds set forth above, on \_\_\_\_\_ and semiannually thereafter on each \_\_\_\_\_ and \_\_\_\_\_ to the maturity date specified above, at the interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.

THE PRINCIPAL OF AND INTEREST ON this Bond are payable in lawful money of the United States of America, without exchange or collection charges. The principal of this Bond shall be paid to the Registered Owner hereof upon presentation and surrender of this Bond at maturity, at the designated corporate trust office of [NAME OF PAYING AGENT/REGISTRAR], [CITY], [STATE], which is the "Paying Agent/Registrar" for this Bond. The payment of interest on this Bond shall be made by the Paying Agent/Registrar to the Registered Owner hereof on each interest payment date by check or draft, dated as of such interest payment date, drawn by the Paying Agent/Registrar on, and payable solely from, funds of the Issuer required by the order authorizing the issuance of the Bonds (the "Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided; and such check or draft shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, on each such interest payment date, to the Registered Owner hereof, at its address as it appeared on the \_\_\_\_\_ day of the month next preceding each such date (the "Record Date") on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. In addition, interest may be paid by such other method, acceptable to the Paying Agent/Registrar, requested by, and at the risk and expense of, the Registered Owner. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such

interest have been received from the Issuer. Notice of the Special Record Date and of the scheduled payment date of the past due interest (which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first-class postage prepaid, to the address of each owner of a Bond appearing on the Registration Books at the close of business on the last business day next preceding the date of mailing of such notice.

ANY ACCRUED INTEREST due at maturity shall be paid to the Registered Owner upon presentation and surrender of this Bond for payment at the principal corporate trust office of the Paying Agent/Registrar. The Issuer covenants with the Registered Owner of this Bond that on or before each principal payment date and interest payment date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

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

THIS BOND is one of a Series of Bonds dated as of \_\_\_\_\_, 2025, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$\_\_\_\_\_ for the public purpose of acquiring, constructing, renovating and equipping (i) school facilities and the purchase of necessary sites for school facilities, and (ii) to pay the costs incurred in connection with the issuance of the Bonds.

ON \_\_\_\_\_, or on any date thereafter, the Bonds of this series may be redeemed prior to their scheduled maturities, at the option of the Issuer, with funds derived from any available and lawful source, as a whole, or in part, and, if in part, the particular Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Bond may be redeemed only in an integral multiple of \$5,000), at a redemption price equal to the principal amount to be redeemed plus accrued interest to the date fixed for redemption.

THE BONDS scheduled to mature on \_\_\_\_\_ in the years \_\_\_\_ and \_\_\_\_ (the "Term Bonds") are subject to scheduled mandatory redemption by the Paying Agent/Registrar by lot, or by any other customary method that results in a random selection, at a price equal to the principal amount thereof, plus accrued interest to the redemption date, out of moneys available for such purpose in the interest and sinking fund for the Bonds, on the dates and in the respective principal amounts, set forth in the following schedule:

Term Bond Maturing _____, 20__	Term Bond Maturing _____, 20__	Term Bond Maturing _____, 20__
<u>Date</u> <u>Principal</u> <u>Amount</u>	<u>Date</u> <u>Principal</u> <u>Amount</u>	<u>Date</u> <u>Principal</u> <u>Amount</u>
(1)	(1)	(1)
<hr/>		
<sup>(1)</sup> Stated maturity		

The principal amount of Term Bonds of a stated maturity required to be redeemed on any mandatory redemption date pursuant to the operation of the mandatory sinking fund redemption provisions shall be reduced, at the option of the Issuer, by the principal amount of any Term Bonds of the same maturity which, at least 45 days prior to a mandatory redemption date (1) shall have been acquired by the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase thereof, and delivered to the Paying Agent/Registrar for cancellation, (2) shall have been purchased and canceled by the Paying Agent/Registrar at the request of the Issuer at a price not exceeding the principal amount of such Term Bonds plus accrued interest to the date of purchase, or (3) shall have been redeemed pursuant to the optional redemption provisions and not theretofore credited against a mandatory redemption requirement.

AT LEAST 30 days prior to the date fixed for any redemption of Bonds or portions thereof prior to maturity a written notice of such redemption shall be sent by the Paying Agent/Registrar by United States mail, first-class postage prepaid, to the registered owner of each Bond to be redeemed at its address as it appeared at the close of business on the business day next preceding the date of mailing such notice and to major securities depositories, national bond rating agencies and bond information services; provided, however, that the failure of the registered owner to receive such notice, or any defect therein or in the sending or mailing thereof, shall not affect the validity or effectiveness of the proceedings for the redemption of any Bond. By the date fixed for any such redemption, due provision shall be made with the Paying Agent/Registrar for the payment of the required redemption price for the Bonds or portions thereof which are to be so redeemed. If such written notice of redemption is sent and if due provision for such payment is made, all as provided above, the Bonds or portions thereof which are to be so redeemed thereby automatically shall be treated as redeemed prior to their scheduled maturities, and they shall not bear interest after the date fixed for redemption, and they shall not be regarded as being outstanding except for the right of the registered owner to receive the redemption price from the Paying Agent/Registrar out of the funds provided for such payment. If a portion of any Bond shall be redeemed a substitute Bond or Bonds having the same maturity date, bearing interest at the same rate, in any denomination or denominations in any integral multiple of \$5,000, at the written request of the registered owner, and in aggregate amount equal to the unredeemed portion thereof, will be issued to the registered owner upon the surrender thereof for cancellation, at the expense of the Issuer, all as provided in the Bond Order.

IF AT THE TIME OF MAILING of notice of optional redemption there shall not have either been deposited with the Paying Agent/Registrar or legally authorized escrow agent immediately available funds sufficient to redeem all the Bonds called for redemption, such notice must state that it is conditional, and is subject to the deposit of the redemption moneys with the Paying Agent/Registrar or legally authorized escrow agent at or prior to the redemption date, and such notice shall be of no effect unless such moneys are so deposited on or prior to the redemption

date. If such redemption is not effectuated, the Paying Agent/Registrar shall, within 5 days thereafter, give notice in the manner in which the notice of redemption was given that such moneys were not so received and shall rescind the redemption.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, in the denomination of \$5,000 in principal amount or any integral multiple thereof. As provided in the Bond Order, this Bond may, at the request of the Registered Owner or the assignee or assignees hereof, be assigned, transferred, converted into and exchanged for a like aggregate amount of fully registered Bonds, without interest coupons, payable to the appropriate Registered Owner, assignee or assignees, as the case may be, having any authorized denomination or denominations as requested in writing by the appropriate Registered Owner, assignee or assignees, as the case may be, upon surrender of this Bond to the Paying Agent/Registrar for cancellation, all in accordance with the form and procedures set forth in the Bond Order. Among other requirements for such assignment and transfer, this Bond must be presented and surrendered to the Paying Agent/Registrar, together with proper instruments of assignment, in form and with guarantee of signatures satisfactory to the Paying Agent/Registrar, evidencing assignment of this Bond or any portion or portions hereof in any authorized denomination to the assignee or assignees in whose name or names this Bond or any such portion or portions hereof is or are to be registered. The form of Assignment printed or endorsed on this Bond may be executed by the Registered Owner to evidence the assignment hereof, but such method is not exclusive, and other instruments of assignment satisfactory to the Paying Agent/Registrar may be used to evidence the assignment of this Bond or any portion or portions hereof from time to time by the Registered Owner. The Paying Agent/Registrar's reasonable standard or customary fees and charges for assigning, transferring, converting and exchanging any Bond or portion thereof will be paid by the Issuer. In any circumstance, any taxes or governmental charges required to be paid with respect thereto shall be paid by the one requesting such assignment, transfer, conversion or exchange, as a condition precedent to the exercise of such privilege. The Paying Agent/Registrar shall not be required to make any such transfer or exchange with respect to Bonds (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date, or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date.

IN THE EVENT any Paying Agent/Registrar for the Bonds is changed by the Issuer, resigns, or otherwise ceases to act as such, the Issuer has covenanted in the Order that it promptly will appoint a competent and legally qualified substitute therefor, and cause written notice thereof to be mailed to the Registered Owners of the Bonds.

IT IS HEREBY certified, recited, and covenanted that this Bond has been duly and validly authorized, issued, and delivered; that all acts, conditions, and things required or proper to be performed, exist, and be done precedent to or in the authorization, issuance and delivery of this Bond have been performed, existed, and been done in accordance with law; that this Bond is a general obligation of the Issuer, issued on the full faith and credit thereof; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of this Bond, as such interest comes due, and as such principal matures, have been levied and ordered to be levied against all taxable property in the Issuer, and have been pledged for such payment, without legal limit as to rate or amount.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Order as provided therein, and under some (but not all) circumstances amendments thereto must be approved by the Registered Owners of a majority in aggregate principal amount of the outstanding Bonds.

BY BECOMING the Registered Owner of this Bond, the Registered Owner thereby acknowledges all of the terms and provisions of the Order, agrees to be bound by such terms and provisions, acknowledges that the Order is duly recorded and available for inspection in the official minutes and records of the governing body of the Issuer, and agrees that the terms and provisions of this Bond and the Order constitute a contract between each Registered Owner hereof and the Issuer.

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

\_\_\_\_\_  
(signature)  
Secretary, Board of Trustees

\_\_\_\_\_  
(signature)  
President, Board of Trustees

(SEAL)

(b) Form of Paying Agent/Registrar's Authentication Certificate.

PAYING AGENT/REGISTRAR'S AUTHENTICATION CERTIFICATE  
(To be executed if this Bond is not accompanied by an  
executed Registration Certificate of the Comptroller  
of Public Accounts of the State of Texas)

It is hereby certified that this Bond has been issued under the provisions of the Order described in the text of this Bond; and that this Bond has been issued in conversion or replacement of, or in exchange for, a bond, bonds, or a portion of a bond or bonds of a Series which originally was approved by the Attorney General of the State of Texas and registered by the Comptroller of Public Accounts of the State of Texas.

Dated \_\_\_\_\_

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

By \_\_\_\_\_  
Authorized Representative

(c) Form of Assignment.

ASSIGNMENT

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

\_\_\_\_\_

Please insert Social Security or Taxpayer Identification Number of Transferee:

\_\_\_\_\_

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

\_\_\_\_\_

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

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_  
NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a securities transfer association recognized signature guarantee program.

\_\_\_\_\_  
NOTICE: The signature above must correspond with the name of the Registered Owner as it appears upon the front of this Bond in every particular, without alteration or enlargement or any change whatsoever.

(d) Form of Registration Certificate of the Comptroller of Public Accounts.

COMPTROLLER’S REGISTRATION CERTIFICATE: REGISTER NO. \_\_\_\_\_

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

Witness my signature and seal this

\_\_\_\_\_  
XXXXXXXX  
Comptroller of Public Accounts  
of the State of Texas

(COMPTROLLER’S SEAL)

(e) Insertions for Initial Bonds.

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

A. immediately under the name of the Bond, the headings “INTEREST RATE” and “MATURITY DATE” shall both be completed with the words “As shown below” and “CUSIP NO. \_\_\_\_\_” shall be deleted.

B. the first paragraph shall be deleted and the following will be inserted:

“ECTOR COUNTY INDEPENDENT SCHOOL DISTRICT, in Ector County, Texas (the “Issuer”), being a political subdivision of the State of Texas, hereby promises to pay to the Registered Owner set forth above, or registered assigns (hereinafter called the “Registered Owner”), on the dates, in the principal amounts and bearing interest at the per annum rates set forth in the following schedule:

          Maturity Date                          Principal Amount                          Interest Rate          

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

The Issuer promises to pay interest on the unpaid principal amount hereof (calculated on the basis of a 360-day year of twelve 30-day months) from the Date of Bonds set forth above, on \_\_\_\_\_ and semiannually thereafter on each \_\_\_\_\_ and \_\_\_\_\_ to the respective maturity date specified above, at the respective interest rate per annum specified above; except that if this Bond is required to be authenticated and the date of its authentication is later than the first Record Date (hereinafter defined), such principal amount shall bear interest from the interest payment date next preceding the date of authentication, unless such date of authentication is after any Record Date but on or before the next following interest payment date, in which case such principal amount shall bear interest from such next following interest payment date; provided, however, that if on the date of authentication hereof the interest on the Bond or Bonds, if any, for which this Bond is being exchanged or converted from is due but has not been paid, then this Bond shall bear interest from the date to which such interest has been paid in full.”

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

#### Section 6. TAX LEVY.

(a) A special Interest and Sinking Fund (the “Interest and Sinking Fund”) is hereby created solely for the benefit of the Bonds, and the Interest and Sinking Fund shall be established and maintained by the Issuer at an official depository bank of the Issuer. The Interest and Sinking Fund shall be kept separate and apart from all other funds and accounts of the Issuer, and shall be used only for paying the interest on and principal of the Bonds. All ad valorem taxes levied and collected for and on account of the Bonds, together with any accrued interest received from the initial purchasers of the Bonds, shall be deposited, as collected, to the credit of the Interest and Sinking Fund. During each year while any of the Bonds or interest thereon are outstanding and unpaid, the governing body of the Issuer shall compute and ascertain a rate and amount of ad valorem tax which will be sufficient to raise and produce the money required to pay the interest on the Bonds as such interest comes due, and to provide and maintain a sinking fund adequate to pay the principal of its Bonds as such principal matures; and said tax shall be based on the latest approved tax rolls of the Issuer, with full allowance being made for tax delinquencies and the cost of tax collection. Said rate and amount of ad valorem tax is hereby levied, and is hereby ordered to be levied, against all taxable property in the Issuer for each year while any of the Bonds or interest thereon are outstanding and unpaid; and said tax shall be assessed and collected each such year and deposited to the credit of the aforesaid Interest and Sinking Fund. Said ad valorem taxes sufficient to provide for the payment of the interest on and principal of the Bonds as such interest comes due and such principal matures are hereby pledged for such payment, without limit as to rate or amount.

(b) Chapter 1208, Government Code, applies to the issuance of the Bonds and the pledge of the taxes granted by the Issuer under this Section, and is therefore valid, effective, and perfected. If State law is amended at any time while the Bonds are outstanding and unpaid such that the pledge of the taxes granted by the Issuer under this Section is to be subject to the filing requirements of Chapter 9, Business & Commerce Code, then in order to preserve to the Registered Owners of the Bonds the perfection of the security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under State law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing to perfect the security interest in said pledge to occur.

#### Section 7. DEFEASANCE OF BONDS.

(a) Any Bond and the interest thereon shall be deemed to be paid, retired, and no longer outstanding (a “Defeased Bond”) within the meaning of this Order, except to the extent provided in subsection (d) of this Section, when payment of the principal of such Bond, plus interest thereon to the due date (whether such due date be by reason of maturity or otherwise) either (i) shall have been made or caused to be made in accordance with the terms thereof, or (ii) shall have been provided for on or before such due date by irrevocably depositing with or making available to the Paying Agent/Registrar in accordance with an escrow agreement or other instrument (the “Future Escrow Agreement”) for such payment (1) lawful money of the United States of America sufficient to make such payment or (2) Defeasance Securities that mature as to principal and interest in such amounts and at such times as will insure the availability, without reinvestment, of sufficient money to provide for such payment, and when proper arrangements have been made by the Issuer with

the Paying Agent/Registrar for the payment of its services until all Defeased Bonds shall have become due and payable. At such time as a Bond shall be deemed to be a Defeased Bond hereunder, as aforesaid, such Bond and the interest thereon shall no longer be secured by, payable from, or entitled to the benefits of, the ad valorem taxes herein levied and pledged as provided in this Order, and such principal and interest shall be payable solely from such money or Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities, and thereafter the Issuer will have no further responsibility with respect to amounts available to the Paying Agent/Registrar (or other financial institution permitted by applicable law) for the payment of such Defeased Bonds, including any insufficiency therein caused by the failure of the Paying Agent/Registrar (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. Notwithstanding any other provision of this Order to the contrary, it is hereby provided that any determination not to redeem Defeased Bonds that is made in conjunction with the payment arrangements specified in (a)(i) or (ii) of this Section shall not be irrevocable, provided that: (1) in the proceedings providing for such payment arrangements, the Issuer expressly reserves the right to call the Defeased Bonds for redemption; (2) gives notice of the reservation of that right to the owners of the Defeased Bonds immediately following the making of the payment arrangements; and (3) directs that notice of the reservation be included in any redemption notices that it authorizes.

(b) Any moneys so deposited with the Paying Agent/Registrar may at the written direction of the Issuer also be invested in Defeasance Securities, maturing in the amounts and times as hereinbefore set forth, and all income from such Defeasance Securities received by the Paying Agent/Registrar that is not required for the payment of the Bonds and interest thereon, with respect to which such money has been so deposited, shall be turned over to the Issuer, or deposited as directed in writing by the Issuer. Any Future Escrow Agreement pursuant to which the money and/or Defeasance Securities are held for the payment of Defeased Bonds may contain provisions permitting the investment or reinvestment of such moneys in Defeasance Securities or the substitution of other Defeasance Securities upon the satisfaction of the requirements specified in (a)(i) or (ii) of this Section. All income from such Defeasance Securities received by the Paying Agent/Registrar which is not required for the payment of the Defeased Bonds, with respect to which such money has been so deposited, shall be remitted to the Issuer or deposited as directed in writing by the Issuer.

(c) The term “Defeasance Securities” means any securities and obligations now or hereafter authorized by State law that are eligible to discharge obligations such as the Bonds.

(d) Until all Defeased Bonds shall have become due and payable, the Paying Agent/Registrar shall perform the services of Paying Agent/Registrar for such Defeased Bonds the same as if they had not been defeased, and the Issuer shall make proper arrangements to provide and pay for such services as required by this Order.

(e) In the event that the Issuer elects to defease less than all of the principal amount of Bonds of a maturity, the Paying Agent/Registrar shall select, or cause to be selected, such amount of Bonds by such random method as it deems fair and appropriate.

Section 8. DAMAGED, MUTILATED, LOST, STOLEN, OR DESTROYED BONDS.

(a) Replacement Bonds. In the event any outstanding Bond is damaged, mutilated, lost, stolen, or destroyed, the Paying Agent/Registrar shall cause to be printed, executed, and delivered, a new bond of the same principal amount, maturity, and interest rate, as the damaged, mutilated, lost, stolen, or destroyed Bond, in replacement for such Bond in the manner hereinafter provided.

(b) Application for Replacement Bonds. Application for replacement of damaged, mutilated, lost, stolen, or destroyed Bonds shall be made by the Registered Owner thereof to the Paying Agent/Registrar. In every case of loss, theft, or destruction of a Bond, the Registered Owner applying for a replacement bond shall furnish to the Issuer and to the Paying Agent/Registrar such security or indemnity as may be required by them to save each of them harmless from any loss or damage with respect thereto. Also, in every case of loss, theft, or destruction of a Bond, the Registered Owner shall furnish to the Issuer and to the Paying Agent/Registrar evidence to their satisfaction of the loss, theft, or destruction of such Bond. In every case of damage or mutilation of a Bond, the Registered Owner shall surrender to the Paying Agent/Registrar for cancellation the Bond so damaged or mutilated.

(c) No Default Occurred. Notwithstanding the foregoing provisions of this Section, in the event any such Bond shall have matured, and no default has occurred which is then continuing in the payment of the principal of or interest on the Bond, the Issuer may authorize the payment of the same (without surrender thereof except in the case of a damaged or mutilated Bond) instead of issuing a replacement Bond, provided security or indemnity is furnished as above provided in this Section.

(d) Charge for Issuing Replacement Bonds. Prior to the issuance of any replacement bond, the Paying Agent/Registrar shall charge the Registered Owner of such Bond with all legal, printing, and other expenses in connection therewith. Every replacement bond issued pursuant to the provisions of this Section by virtue of the fact that any Bond is lost, stolen, or destroyed shall constitute a contractual obligation of the Issuer whether or not the lost, stolen, or destroyed Bond shall be found at any time, or be enforceable by anyone, and shall be entitled to all the benefits of this Order equally and proportionately with any and all other Bonds duly issued under this Order.

(e) Authority for Issuing Replacement Bonds. In accordance with Subchapter B, Chapter 1206, Texas Government Code, this Section shall constitute authority for the issuance of any such replacement bond without necessity of further action by the governing body of the Issuer or any other body or person, and the duty of the replacement of such bonds is hereby authorized and imposed upon the Paying Agent/Registrar, and the Paying Agent/Registrar shall authenticate and deliver such Bonds in the form and manner and with the effect, as provided in Section 4(a) of this Order for Bonds issued in conversion and exchange for other Bonds.

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

facsimile, on such Comptroller's Registration Certificate. The approving legal opinion of Bond Counsel and the assigned CUSIP numbers may, at the option of the Issuer, be printed on the Bonds issued and delivered under this Order, but neither shall have any legal effect, and shall be solely for the convenience and information of the Registered Owners of the Bonds.

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

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

(b) to take any action to assure that in the event that the "private business use" described in subsection (a) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

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

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

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

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

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

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

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

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

## Section 11. SALE OF BONDS; OFFICIAL STATEMENT.

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

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

## Section 12. FURTHER PROCEDURES.

(a) The President or Vice President and Secretary of the Board, the Pricing Officer and all other officers, employees and agents of the Issuer, and each of them, shall be and they are hereby expressly authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the Issuer a Paying Agent/Registrar Agreement with the Paying Agent/Registrar and all other instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Order, the Blanket Issuer Letter of Representations with DTC, the Bonds, the sale of the Bonds and the Official Statement. Notwithstanding anything to the contrary contained herein, while the Bonds are subject to DTC’s Book-Entry Only System and to the extent permitted by law, the Blanket Issuer Letter of Representations of the Issuer to DTC is hereby incorporated herein and its provisions shall prevail over any other provisions of this Order in the event of conflict. In case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

(b) The obligation of the initial purchasers to accept delivery of the Bonds is subject to the initial purchasers being furnished with the final, approving opinion of Bond Counsel, which opinion shall be dated as of the Issuance Date. The engagement of such firm as bond counsel to the Issuer in connection with issuance, sale and delivery of the Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the Issuer and such firm, with respect to such services as bond counsel, is hereby authorized in such form as may be approved by the President of the Board or the Pricing Officer and the President or Pricing Officer are hereby authorized to execute such engagement letter.

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

(a) Annual Reports.

The Issuer shall provide certain updated financial information and operating data annually to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Issuer of the general type included in the Official Statement in “Appendix A – FINANCIAL INFORMATION REGARDING THE DISTRICT” (Tables 1 through 18) and in “Appendix D – AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2024”. The Issuer will update and provide the information in Tables 1 through 18 in “Appendix A – FINANCIAL INFORMATION REGARDING THE DISTRICT” within six months after the end of each fiscal year ending in and after 2025. The Issuer will additionally provide audited financial statements within 12 months after the end of each fiscal year ending in or after 2025. Any financial statements so to be provided shall be (1) prepared in accordance with the accounting principles described in the notes to the financial statements included in the Official Statement, or such other accounting principles as the Issuer may be required to employ from time to time pursuant to state law or regulation, and (2) audited, if the Issuer commissions an audit of such statements and the audit is completed within the period during which they must be provided. If the audit of such financial statements is not complete within such period, then the Issuer shall provide unaudited financial statements by the required time and will provide audited financial statements for the applicable fiscal year to the MSRB, when and if the audit report on such statements become available. Such information shall be transmitted electronically to the MSRB, in such format and accompanied by such identifying information as prescribed by the MSRB.

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

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

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

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

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

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

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

(ii) The provisions of this Section are for the sole benefit of the registered owners and beneficial owners of the Bonds, and nothing in this Section, express or implied, shall give any benefit or any legal or equitable right, remedy, or claim hereunder to any other person. The Issuer undertakes to provide only the financial information, operating data, financial statements, and notices which it has expressly agreed to provide pursuant to this Section and does not hereby undertake to provide any other information that may be relevant or material to a complete presentation of the Issuer’s financial results, condition, or prospects or hereby undertake to update any information provided in accordance with this Section or otherwise, except as expressly provided herein. The Issuer does not make any representation or warranty concerning such information or its usefulness to a decision to invest in or sell Bonds at any future date.

(iii) UNDER NO CIRCUMSTANCES SHALL THE ISSUER BE LIABLE TO THE REGISTERED OWNER OR BENEFICIAL OWNER OF ANY BOND OR ANY OTHER PERSON, IN CONTRACT OR TORT, FOR DAMAGES RESULTING IN WHOLE OR IN PART FROM ANY BREACH BY THE ISSUER, WHETHER NEGLIGENT OR WITHOUT FAULT ON ITS PART, OF ANY COVENANT SPECIFIED IN THIS SECTION, BUT EVERY RIGHT AND REMEDY OF ANY SUCH PERSON, IN CONTRACT OR TORT, FOR OR ON ACCOUNT OF ANY SUCH BREACH SHALL BE LIMITED TO AN ACTION FOR MANDAMUS OR SPECIFIC PERFORMANCE.

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

(v) The provisions of this Section may be amended by the Issuer from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the Issuer, but only if (1) the provisions of this Section, as so amended, would have permitted an underwriter to purchase or sell Bonds in the primary offering of the Bonds in compliance with the Rule, taking into account any amendments or interpretations of the Rule since such offering as well as such changed circumstances and (2) either (a) the registered owners of a majority in aggregate principal amount (or any greater amount required by any other provision of this Order that authorizes such an amendment) of the outstanding Bonds consent to such amendment or (b) a person that is unaffiliated with the Issuer (such as nationally recognized bond counsel) determined that such amendment will not materially impair the interest of the registered owners and beneficial owners of the Bonds. If the Issuer so amends the provisions of this Section, it shall include with any amended financial information or operating data next provided in accordance with subsection (a) of this Section an explanation, in narrative form, of the reason for the amendment and of the impact of any change in the type of financial information or operating data so provided. The Issuer may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of the Rule or a court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds.

Section 14. INTEREST EARNINGS ON BOND PROCEEDS. Interest earnings derived from the investment of proceeds from the sale of the Bonds shall be used along with other bond proceeds for the purpose for which the Bonds are issued, as set forth in Section 1 hereof; provided that after completion of such purpose, if any of such interest earnings remain on hand, such interest earnings shall be deposited in the Interest and Sinking Fund. It is further provided, however, that any interest earnings on bond proceeds which are required to be rebated to the United States of America pursuant to Section 10 hereof in order to prevent the Bonds from being arbitrage bonds shall be so rebated and not considered as interest earnings for the purposes of this Section.

Section 15. ALLOCATION OF, AND LIMITATION ON, EXPENDITURES FOR THE PROJECTS. The Issuer covenants to account for the expenditure of sale proceeds and investment earnings to be used for the Projects on its books and records by allocating proceeds to expenditures within 18 months of the later of the date that (1) the expenditure is made, or (2) the Projects are

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

#### Section 16. CONSTRUCTION FUND.

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

(b) The Issuer may invest proceeds of the Bonds (including investment earnings thereon) issued for Projects and amounts deposited into the Interest and Sinking Fund in investments authorized by the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended; provided, however, that the Issuer hereby covenants that the proceeds of the sale of the Bonds will be used as soon as practicable for the purposes for which the Bonds are issued.

(c) All deposits authorized or required by this Order shall be secured to the fullest extent required by law for the security of public funds.

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

Section 18. FACILITIES ALLOTMENT FUNDS; STATE ASSISTANCE FUNDS. In connection with the issuance of the Bonds, the Issuer may receive financial assistance from the Texas Education Agency in accordance with one or more programs established pursuant to Chapter 46, Texas Education Code, as amended (the “Program”). In each fiscal year in which the Issuer receives funding under the Program or any successor State funding program which provides a debt service subsidy for the Bonds and, in either case, which requires the Issuer to deposit such debt service subsidy into the Interest and Sinking Fund for the Bonds (such funds being collectively referred to herein as “Debt Subsidy Funds”), the Issuer shall deposit immediately upon receipt the Debt Subsidy Funds received to the credit of the Interest and Sinking Fund for the Bonds created

pursuant to Section 6. Notwithstanding the requirements of Section 6, if Debt Subsidy Funds are actually on deposit in the Interest and Sinking Fund for the Bonds in advance of the time when ad valorem taxes are scheduled to be levied for any fiscal year, then the amount of ad valorem taxes which otherwise would have been required to be levied pursuant to Section 6 shall be reduced to the extent and by the amount of the Debt Subsidy Funds then on deposit in the Interest and Sinking Fund for the Bonds.

Section 19. PERMANENT SCHOOL FUND GUARANTEE PROGRAM. The Issuer has made application for guarantee of the Bonds by the Permanent School Fund of the State of Texas (the "Permanent School Fund"). In connection therewith, the Issuer covenants as follows:

(a) To timely comply with all applicable requirements and procedures under Article VII, Section 5 of the Texas Constitution, Subchapter C of Chapter 45, Texas Education Code and the Rules of the State Board of Education relating to the guarantee of the principal and interest on the Bonds by the Permanent School Fund.

(b) Upon defeasance of such Bonds prior to maturity in accordance with applicable law, the guarantee of the principal and interest on such Bonds by the Permanent School Fund shall cease and no longer be available.

(c) In case of a default in the payment of principal or interest on the Bonds, and in accordance with Section 45.061, Texas Education Code, the Comptroller shall be authorized to withhold from the Issuer amounts equal to the amounts paid by the Permanent School Fund on account of such default, plus interest thereon, from the first state money payable to the Issuer from the following sources and in the following order, to wit: foundation school fund, available school fund.

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

(a) The Issuer may from time to time, without the consent of any Registered Owner, except as otherwise required by paragraph (b) below, amend or supplement this Order to (i) cure any ambiguity, defect or omission in this Order that does not materially adversely affect the interests of the Registered Owners, (ii) grant additional rights or security for the benefit of the Registered Owners, (iii) add events of default as shall not be inconsistent with the provisions of this Order and that shall not materially adversely affect the interests of the Registered Owners, (iv) qualify this Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect, or (v) make such other provisions in regard to matters or questions arising under this Order as shall not be materially inconsistent with the provisions of this Order and that shall not, in the opinion of nationally recognized bond counsel, materially adversely affect the interests of the Registered Owners.

(b) Except as provided in paragraph (a) above, a majority of the Registered Owners (for purposes of this sentence only, 100% of the aggregate principal amount of Bonds which are insured by a bond insurance provider at the time that the Issuer seeks approval of an amendment shall be deemed to be owned by such bond insurance provider) of Bonds then outstanding that are the subject of a proposed amendment shall have the right from time to time to approve any amendment hereto that may be deemed necessary or desirable by the Issuer; provided, however, that without the consent of 100% of the Registered Owners in aggregate principal amount of the then

outstanding Bonds, nothing herein contained shall permit or be construed to permit amendment of the terms and conditions of this Order or in any of the Bonds so as to:

- (1) Make any change in the maturity of any of the outstanding Bonds;
- (2) Reduce the rate of interest borne by any of the outstanding Bonds;
- (3) Reduce the amount of the principal payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest on outstanding Bonds or any of them or impose any condition with respect to such payment; or
- (5) Change the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment.

(c) If at any time the Issuer shall desire to amend this Order under this Section, the Issuer shall send by U.S. mail to each Registered Owner of the affected Bonds a copy of the proposed amendment.

(d) Whenever at any time within one year from the date of mailing of such notice the Issuer shall receive an instrument or instruments executed by the Registered Owners of at least a majority in aggregate principal amount of all of the Bonds then outstanding that are required for the amendment (or 100% if such amendment is made in accordance with paragraph (b)), which instrument or instruments shall refer to the proposed amendment and which shall specifically consent to and approve such amendment, the Issuer may adopt the amendment in substantially the same form.

(e) Upon the adoption of any amendatory Order pursuant to the provisions of this Section, this Order shall be deemed to be modified and amended in accordance with such amendatory Order, and the respective rights, duties, and obligations of the Issuer and all Registered Owners of such affected Bonds shall thereafter be determined, exercised, and enforced, subject in all respects to such amendment.

(f) Any consent given by the Registered Owner of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the such consent and shall be conclusive and binding upon all future Registered Owners of the same Bond during such period. Such consent may be revoked at any time after six months from the date of said consent by the Registered Owner who gave such consent, or by a successor in title, by filing notice with the Issuer, but such revocation shall not be effective if the Registered Owners the required amount of the affected Bonds then outstanding, have, prior to the attempted revocation, consented to and approved the amendment.

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

Section 21. APPROPRIATION. To pay the debt service coming due on the Bonds, if any (as determined by the Pricing Certificate) prior to receipt of the taxes levied to pay such debt service, there is hereby appropriated from current funds on hand, which are hereby certified to be

on hand and available for such purpose, an amount sufficient to pay such debt service, and such amount shall be used for no other purpose.

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

Section 23. SEVERABILITY. If any provision of this Order or the application thereof to any circumstance shall be held to be invalid, the remainder of this Order and the application thereof to other circumstances shall nevertheless be valid, and this governing body hereby declares that this Order would have been enacted without such invalid provision.

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**UPDATE ON STATE OF TEXAS ASSESSMENTS OF ACADEMIC READINESS (STAAR) RESULTS FOR THE 2024-2025 SCHOOL YEAR**

An update on State of Texas Assessments of Academic Readiness (STAAR) Results for the 2024-2025 school year will be presented to the Board of Trustees.