

**ARLINGTON INDEPENDENT SCHOOL DISTRICT
REGULAR MEETING OF THE BOARD OF TRUSTEES
Tuesday, June 16, 2020
4:00 p.m.**

NOTICE of Regular Meeting of the Board of Trustees by Videoconference or Telephone

As you know, health officials have been encouraging people from avoiding crowded events in order to avoid possible contact with persons who may be unaware they have been exposed to the COVID-19 virus. While our school board meetings are open to the public, we want you to remain safe, and therefore recommend and encourage you to participate by watching the school board meeting online at **www.aisd.net**. Thank you for your commitment to Arlington Independent School District, and we wish you and your family safety and health during these difficult days.

Due to health and safety concerns related to the COVID-19 coronavirus, this meeting will be conducted by videoconference or telephone call. At least a quorum of the board will be participating by videoconference or telephone call in accordance with the provisions of Sections 551.125 or 551.127 of the Texas Government Code that have not been suspended by order of the governor.

Again, members of the public may access this meeting as follows: **www.aisd.net**. An electronic copy of the agenda packet is attached to this online notice.

*Members of the public who desire to address the board regarding an item on this agenda must comply with the following registration procedures: Members of the public seeking to provide comments concerning an agenda item shall be required to register to provide comment by sending an email to the Superintendent of Schools Secretary **lbenjami@aisd.net** **NO LATER THAN 3:00 p.m. the day of the board meeting** indicating (1) person's name; (2) subject the member of the public wishes to discuss, and; (3) telephone number at which the member of the public may be reached.*

Public comment will be divided by agenda item and non-agenda item. When it is time for the portion of the meeting to listen to registered public comments for agenda or non-agenda items, the District shall attempt to contact the registrant in the order in which the registration was received. If for any reason the registrant does not answer the call, the Board will proceed to call the next registrant. This process shall continue until the list of registrants has been exhausted. The registrant will have 5 minutes to provide public comment concerning the subject identified by the registrant. If a registrant does not speak English they must indicate so when registering and list the name of their translator, and additional time shall be provided in accordance with law. If a registrant requires the use of a TTY system, the registrant must indicate this requirement at the time of registration and the registrant shall be allowed to communicate on a topic for twice the amount of time allowed for persons not requiring the use of the TTY system.

The open portions of this meeting will be recorded and made available to the public upon request.

The subjects to be discussed or considered or upon which any formal action may be taken are listed below. Items do not have to be taken in the same order as shown on this meeting notice. For more information about public comment, see Policy BED.

CALL TO ORDER:

CLOSED MEETING:

Adjournment to closed meeting pursuant to Sections 551.071 (consultation with attorney to seek and receive legal advice); 551.072 (discuss the purchase, exchange, lease or value of real property); Section 551.073 – (negotiating contracts for prospective gifts or donations); Section 551.074 - (consider the appointment, employment, evaluation, reassignment, duties, discipline, non-renewal or dismissal of a public officer or employee, or to hear complaints or charges against a public officer or employee); Section 551.076 (consider the deployment, or specific occasions for implementation, of security personnel and devices); Section 551.082 – (discussing or deliberating the discipline of a public school child or children, or a complaint or charge is brought against an employee of the school district by another employee); Section 551.0821 – (deliberating in a matter regarding a public school student if personally identifiable information about the student will necessarily be revealed by the deliberation); Section 551.083 (considering the standards, guidelines, terms or conditions the Board will follow, or instruct its representatives to follow, in consultation with representatives of employee groups in connection with consultation agreements).

1. Order authorizing the issuance of the District's Unlimited Tax Refunding Bonds, Taxable Series 2020; appointing a representative of the District and delegating to the representative certain matters with respect to the sale of the Bonds; establishing parameters for the approval of such delegated matters; approving the use of an Escrow Agreement and Paying Agent/Registrar Agreement; ordering the levy of an annual ad valorem tax for the payment of the Bonds; and enacting other provisions relating to the issuance and sale of the Bonds

RECONVENE INTO OPEN SESSION: *Upon Conclusion of Closed Meeting*

OPENING CEREMONY:

APPOINTMENTS:

- A. Consider Ratification of Administrative Appointments (pg. 7)
Principal for Speer Elementary

PUBLIC HEARING: None

OPEN FORUM FOR AGENDA ITEMS:

Must Pre-Register. Registration via email as stated above must be completed in its entirety and submitted no later than **3:00 p.m.** This first Open Forum is limited to agenda items other than personnel. Any personnel concern should be brought directly to the Superintendent or Board President prior to the meeting, who will guide you to the proper procedure pursuant to Board Policy. Speakers will be limited to five (5) minutes. When more than one individual wishes to address the same agenda item, the President may ask the group to appoint one spokesperson.

ACTION:

- A. Consider the adoption of an order authorizing the issuance of the District's Unlimited Tax Refunding Bonds, Taxable Series 2020; appointing a representative of the District and delegating to the representative certain matters with respect to the sale of the Bonds; establishing parameters for the approval of such delegated matters; approving the use of an Escrow Agreement and Paying Agent/Registrar Agreement; ordering the levy of an annual ad valorem tax for the payment of the Bonds; and enacting other provisions relating to the issuance and sale of the Bonds (pg. 8)
- B. Consider and Take Action on a Resolution Appointing Consultants and Directing Staff and Consultants to Prepare for the Issuance and Sale of Taxable Refunding Bonds (pg. 45)

DISCUSSION / ACTION:

- A. Consider Preliminary 2020-2021 Budget (pg. 65)

ITEMS TO BE WITHDRAWN FROM THE CONSENT AGENDA:

CONSENT ITEMS: Materials relating to the items to be acted upon in the Consent Agenda are provided to the Board Members for study and review prior to the meeting. The items contained in the bid portion of the Agenda have been endorsed by the Board Members during the budget process.

- A. Consider Instructional Materials Allotment Used for Advanced Placement Materials (Advanced Placement Environmental Science) (pg. 67)

DISCUSSION:

- A. Pandemic Emergency Action/Plan Update

OPEN FORUM FOR NON-AGENDA ITEMS:

Must Pre-Register. Registration via email as stated above must be completed in its entirety and submitted no later than **3:00 p.m.** Any personnel concern should be brought directly to the Superintendent or Board President prior to the meeting, who will guide you to the proper procedure pursuant to Board Policy. Speakers will be limited to five (5) minutes. When more than one individual wishes to address the same agenda item, the President may ask the group to appoint one spokesperson.

SUPERINTENDENT'S REPORT:

This time is for the Superintendent to acknowledge varying kinds of activities occurring within the district. This includes such items as recognition of outstanding performance by district staff and/or students, the initiating of new programs and special activities.

The Superintendent will report on the following subjects:

- A. Recognition of outstanding performance by district staff and students
- B. Initiation of new programs and special activities

SCHOOL BOARD'S REPORTS:

At this time on the Agenda allows each member to inform other Board Members, the administrative staff and the public of activities which are of interest.

The Board Members will report on the following subjects:

- A. Board member attendance at various school and community events.
- B. Board member announcement of various upcoming school and community events.
- C. Board member visits to various campuses
- D. Board member recognition of outstanding performance by district staff and students
- E. Board member recognition of new programs and special activities

CLOSED MEETING:

At any time during the meeting the Board may adjourn into closed meeting for consultation with its attorney (Tex. Gov't Code § 551.071) or for a posted agenda item pursuant to Texas Government Code sections 551.072 – 551.084 (see below).

ADJOURNMENT

The agenda order may be adjusted by the Presiding Officer at any time during the meeting.

If, during the course of the meeting, discussion of any item on the agenda should be held in a closed meeting, the board will conduct a closed meeting in accordance with the Texas Open Meetings Act, Texas Government Code, chapter 551, subchapters D and E or Texas Government Code section 418.183(f).

If, during the course of the meeting covered by this Notice, the Board should determine that a closed meeting of the Board should be held or is required in relation to any item included in this notice, then such closed meeting is authorized by Texas Government Code Section 551.001, et. seq., for any of the following reasons:

Section 551.071 - For the purpose of a private consultation with the Board's attorney on any or all subjects or matters authorized by law.

Section 551.072 - For the purpose of discussing the purchase, exchange, lease or value of real property.

Section 551.073 - For the purpose of negotiating contracts for prospective gifts or donations.

Section 551.074 - For the purpose of considering the appointment, employment, evaluation, reassignment, duties, discipline or dismissal of a public officer or employee or to hear complaints or charges against a public officer or employee.

Section 551.076 - To consider the deployment, or specific occasions for implementation, of security personnel and devices.

Section 551.082 - For the purpose of deliberating in a case involving discipline of a public school child or children, or in a case in which a complaint or charge is brought against an employee of the school district by another employee and the complaint or charge directly results in a need for a hearing.

Section 551.0821 - For the purpose of deliberating in a matter regarding a public school student if personally identifiable information about the student will necessarily be revealed by the deliberation.

Section 551.083 - For the purpose of considering the standards, guidelines, terms or conditions the Board will follow, or instruct its representatives to follow, in consultation with representatives of employee groups in connection with consultation agreements provided for by Section 13.901 of the Texas Education Code.

Section 551.084 - For the purpose of excluding a witness or witnesses from a hearing during examination of another witness.

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

- A. the open meeting covered by this notice upon the reconvening of this public meeting, or
- B. at a subsequent public meeting of the Board upon notice thereof, as the Board shall determine.

Before any closed meeting is convened, the presiding officer will publicly identify the section or sections of the Act authorizing the closed meeting. All final votes, actions, or decisions will be taken in open meeting.

CERTIFICATE AS TO POSTING OR GIVING OF NOTICE

On this 12th day of June, 2020 at 4:00 p.m., this notice was posted on a bulletin board at a place convenient to the public at the central administrative office of the Arlington Independent School District, 1203 West Pioneer Parkway, Arlington, Texas and readily accessible to the general public at all times beginning at least 72 hours preceding the scheduled time of the meeting.



Dr. Marcelo Cavazos, Superintendent

**Arlington Independent School District
Board of Trustees Communication**

Meeting Date: June 16, 2020	Action Item
Subject: Ratification of Administrative Personnel	

Purpose:


The purpose of this action item is to ratify the appointment of the Principal for Speer Elementary.

Background:

Screening and interview committee consisting of administrative staff has submitted the name to the Superintendent for consideration.

Recommendation:

The administration recommends the Board ratify the appointment of the applicant for the administrative position listed above as discussed in Executive Session.

Submitted to: Board of Trustees Arlington Independent School District	Submitted by: 
	Prepared by: Scott Kahl
	Date: June 10, 2020

**Arlington Independent School District
Board of Trustees Communication**

Meeting Date: March 19, 2020	Action Item
Subject: Consider the adoption of an order authorizing the issuance of the District's Unlimited Tax Refunding Bonds, Taxable Series 2020; appointing a representative of the District and delegating to the representative certain matters with respect to the sale of the Bonds; establishing parameters for the approval of such delegated matters; approving the use of an Escrow Agreement and Paying Agent/Registrar Agreement; ordering the levy of an annual ad valorem tax for the payment of the Bonds; and enacting other provisions relating to the issuance and sale of the Bonds	

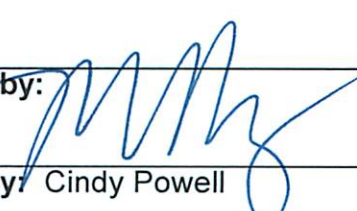
Purpose: To consider the adoption of an order authorizing the issuance of the District's Unlimited Tax Refunding Bonds, Taxable Series 2020; appointing a representative of the District and delegating to the representative certain matters with respect to the sale of the Bonds; establishing parameters for the approval of such delegated matters; approving the use of an Escrow Agreement and Paying Agent/Registrar Agreement; ordering the levy of an annual ad valorem tax for the payment of the Bonds; and enacting other provisions relating to the issuance and sale of the Bonds.

Background: AISD has the potential to refund the District's Series 2014A bonds maturing between 2024 and 2039 for debt service savings. Taxable bonds can be issued to advance refund the bonds.

The total amount of the outstanding bonds proposed to be refunded is \$137,795,000. The projected net total savings through 2039 is \$17,192,708 at current market rates, and the present value savings at current market rates is 9.72% of the refunded bonds.

The order for the sale of taxable refunding bonds includes a provision to delegate authority to the Superintendent to determine the exact date, amount of the sale and the terms of the sale only when market conditions result in an 8% minimum present value savings. This delegation will be effective for a six-month period. If the minimum savings levels cannot be achieved, the District is not obligated to execute the refunding.

Recommendation: The administration recommends approval of the order. A representative from Hilltop Securities will be available to answer questions about the potential refunding.

Submitted to: Board of Trustees Arlington Independent School District	Submitted by:  <hr/> Prepared by: Cindy Powell Date: June 9, 2020
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**ORDER OF BOARD OF TRUSTEES
of
ARLINGTON INDEPENDENT SCHOOL DISTRICT**

AUTHORIZING THE ISSUANCE OF

**ARLINGTON INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BONDS
TAXABLE SERIES 2020**

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ORDER AUTHORIZING THE ISSUANCE OF UNLIMITED TAX REFUNDING BONDS; APPOINTING A PRICING OFFICER AND DELEGATING TO THE PRICING OFFICER THE AUTHORITY TO APPROVE THE SALE OF THE BONDS; ESTABLISHING CERTAIN PARAMETERS FOR THE APPROVAL OF SUCH MATTERS; APPROVING AN ESCROW AGREEMENT AND PAYING AGENT/REGISTRAR AGREEMENT; LEVYING AN ANNUAL AD VALOREM TAX FOR THE PAYMENT OF THE BONDS; AND ENACTING OTHER PROVISIONS RELATING TO THE SUBJECT

THE STATE OF TEXAS §
TARRANT COUNTY §
ARLINGTON INDEPENDENT SCHOOL DISTRICT §

WHEREAS, Arlington Independent School District (the "Issuer") has previously issued, and there are presently outstanding, bonds of the Issuer payable from ad valorem taxes levied and to be levied, assessed and collected within the Issuer, without legal limit as to rate or amount; and

WHEREAS, the Issuer now desires to refund all or part of the bonds described in Schedule I attached hereto, collectively, the "Eligible Refunded Obligations", and those Available Refunded Obligations designated by the Pricing Officer in the Pricing Certificate, each as defined below, to be refunded are herein referred to as the "Refunded Obligations"; and

WHEREAS, Chapter 1207, Texas Government Code ("Chapter 1207"), authorizes the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; 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 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, Chapters 1207, Texas Government Code ("Chapter 1207") and Chapter 1371, Texas Government Code ("Chapter 1371"), authorize the Issuer to issue refunding bonds and to deposit the proceeds from the sale thereof, and any other available funds or resources, directly with a place of payment (paying agent) for the Refunded Obligations, and such deposit, if made before such payment dates, shall constitute the making of firm banking and financial arrangements for the discharge and final payment of the Refunded Obligations; and

WHEREAS, the Board hereby finds and determines that it is in the best interests of the Issuer to issue the bonds hereinafter authorized (the "Bonds"), for the purposes stated, and to delegate to the Pricing Officer (hereinafter designated) the authority to act on behalf of the Issuer in selling and

delivering the bonds and setting the dates, price, interest rates, interest payment periods and other procedures relating thereto, as hereinafter specified, with such information and terms to be included in a pricing certificate (the "Pricing Certificate") to be executed by the Pricing Officer, all in accordance with the provisions of Section 1371.053, Texas Government Code and Section 1207.007, Texas Government Code; and

WHEREAS, the Issuer requires the assistance of outside legal counsel in carrying out its responsibilities related to the issuance of the bonds hereafter authorized and other municipal securities and related matters; and

WHEREAS, pursuant to Section 2254.1036, Texas Government Code, the Issuer is required to provide written notice of its intent to enter a contingency fee contract for legal services before or at the time of giving the written notice required by Section 551.041, Texas Government Code, for the posting of the notice of the meeting at which this Order is adopted; 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 Tex. Gov't Code Ann. ch. 551;

NOW, THEREFORE BE IT ORDERED BY THE BOARD OF TRUSTEES OF ARLINGTON 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 the Issuer are hereby authorized to be issued and delivered in the maximum aggregate principal amount hereinafter set forth for the public purpose of providing funds to refund a portion of the Issuer's outstanding indebtedness payable from ad valorem taxes, and to pay the costs incurred in connection with the issuance of the Bonds.

(c) Each bond issued pursuant to this Order shall be designated (unless otherwise provided in the Pricing Certificate): "ARLINGTON INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BOND, TAXABLE SERIES 2020," 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 bonds being made payable to the initial purchaser as described in Section 12 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, if applicable, 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 terms shall have the meanings specified below:

"Bonds" means and includes collectively the Capital Appreciation Bonds and Current Interest Bonds initially issued and delivered pursuant to this Order and all substitute Capital Appreciation Bonds and Current Interest 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.

"Capital Appreciation Bonds" shall mean the Bonds, on which no interest is paid prior to maturity, maturing in the years and in the principal amounts set forth in the Pricing Certificate.

"Compounded Amount" shall mean, with respect to a Capital Appreciation Bond, as of any particular date of calculation, the original principal amount thereof, plus initial premium, if any, and plus all interest accrued and compounded to the particular date of calculation, as determined in accordance with Section 3(c) hereof.

"Current Interest Bonds" shall mean the Bonds, on which interest is paid semiannually, maturing in each of the years and in the principal amounts set forth in the Pricing Certificate.

"Issuance Date" shall mean the date of delivery of the Bonds to the initial purchaser or purchasers thereof against payment therefor.

Section 3. DELEGATION TO PRICING OFFICER. (a) As authorized by Chapters 1207 and 1371, the Superintendent and the Chief Financial Officer of the Issuer are each individually hereby authorized to act on behalf of the Issuer in selling and delivering the Bonds (of which officers, the officer executing the Pricing Certificate shall be hereinafter referred to as, and shall for all purposes be, the "Pricing Officer") in one or more series, determining which of the Eligible Refunded Obligations shall be refunded and carrying out the other procedures specified in this Order, including, 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 (with respect to the Current Interest Bonds) or the amount due at maturity (with respect to the Capital Appreciation Bonds) 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, if any, 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 of any series shall be issued on a tax-exempt basis or on a taxable basis, whether the Bonds of any series shall be designated as "qualified tax-exempt obligations" as defined in section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the "Code"), limiting the types of securities and obligations that may be used as Defeasance Securities and all other matters relating to the issuance, sale, and delivery of the Bonds and the refunding of the Refunded Obligations, including without limitation establishing the redemption date for and effecting the redemption of the Refunded Obligations and obtaining the Permanent School Fund guarantee for the Bonds, if

available, or bond insurance if the Permanent School Fund is not available and bond insurance is deemed beneficial to the Issuer to achieve the objectives of the refunding, all of which shall be specified in a certificate of the Pricing Officer (the "Pricing Certificate"); provided that:

(i) the aggregate original principal amount of the Bonds of all series issued hereunder shall not exceed \$137,795,000;

(ii) no Bond shall mature after February 15, 2039;

(iii) the true interest cost for any series of the Bonds shall not exceed 3.75%; and

(iv) the refunding achieved by each series of Bonds sold in accordance with this Order must produce debt service savings of at least 8% measured on a present value basis as a percentage of the principal amount of the Refunded Obligations refunded with the applicable series of Bonds.

(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) above, 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 the date that is twelve months after the adoption of this Order. The Bonds shall be sold at such price, with and subject to such terms as set forth in the Pricing Certificate.

(c) The Bonds may be issued as Current Interest Bonds or Capital Appreciation Bonds, or a combination thereof, as set forth in the Pricing Certificate. The Bonds may be sold by public offering (either through a negotiated or competitive offering) or by private placement. If the Bonds are sold by private placement, the Pricing Certificate shall so state, and the Pricing Certificate may make changes to this Order to effect such private placement, including the provisions hereof that pertain to the book-entry-only procedures (including eliminating the book-entry-only system of registrations, payment and transfers) and to the provisions of Section 15 hereof relating to the Rule 15c2-12 undertaking (including eliminating or replacing such undertaking with an agreement to provide alternative disclosure information). In addition, if the Bonds are sold in more than one series, and one of such series is an issue with respect to which the interest on the Bonds of such series is not exempt from federal income taxation, the Pricing Certificate shall so state and may make changes to this Order to effect such taxable issuance, including, specifically providing that the covenants of Section 11 hereof shall not be applicable to such series.

(d) In the event any of the Bonds are issued as Capital Appreciation Bonds, the Pricing Certificate shall have attached thereto a schedule which sets forth the rounded original principal amounts at the Issuance Date for the Capital Appreciation Bonds and the Compounded Amounts thereof (per \$5,000 payment at maturity), including the initial premium, if any, as of each date and commencing on the date set forth in such schedule.

(e) It is hereby found and determined that the refunding of the Refunded Obligations is advisable and necessary in order to restructure the debt service requirements of the Issuer, and that the debt service requirements on the Bonds will be less than those on the Refunded Obligations, resulting in a reduction in the amount of principal and interest which otherwise would be payable. The Refunded Obligations are subject to redemption, at the option of the Issuer, and the Pricing Officer is hereby authorized to cause all of the Refunded Obligations to be called for redemption on the respective date or dates consistent with the savings analysis set forth in Section 3(a)(iv) hereof, and the proper notices of such redemption to be given, and in each case at a redemption price of par, plus accrued interest to the date fixed for redemption. In furtherance of authority granted by Section 1207.007(b), Texas Government Code, the Pricing Officer is further authorized to enter into and execute on behalf of the Issuer with the escrow agent named therein, an escrow agreement, in substantially the form presented to the Board at the meeting at which this Order was adopted and as shall be approved by the Pricing Officer, which escrow agreement will provide for the payment in full of the Refunded Obligations (the "Escrow Agreement"). In addition, the Pricing Officer is authorized to purchase such securities with proceeds of the Bonds, including, without limitation, to execute such subscriptions for the purchase of the United States Treasury Securities State and Local Government Series or other United States Treasury or United States Agency securities that may be purchased in the open market, and to transfer and deposit such cash from available funds, as may be necessary or appropriate for the escrow fund described in the Escrow Agreement.

(f) In satisfaction of Section 1201.022(a)(3)(B), Texas Government Code, the Board 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. The Issuer shall keep or cause to be kept at the principal corporate trust office of the bank named in the Pricing Certificate as the paying agent/registrar for the Bonds (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 within three days of presentation in due and proper form. 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. 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 Issuer shall pay

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. 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.

(b) Authentication. Except as provided in Section 4(e) hereof, an authorized representative of the Paying Agent/Registrar shall, before the delivery of any such Bond, date and manually sign said Bond, and no such Bond shall be deemed to be issued or outstanding unless such Bond 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 Bond, the converted and exchanged Bond shall be valid, incontestable, and enforceable in the same manner and with the same effect as the Bonds which initially were issued and delivered pursuant to this Order, approved by the Attorney General, and registered by the Comptroller of Public Accounts.

(c) 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.

(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 one entity. The Issuer reserves the right to, and may, at its option, change the Paying Agent/Registrar upon not less than 50 days written notice to the Paying Agent/Registrar, to be effective not later than 45 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) General Characteristics of the Bonds. 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 be redeemed prior to their scheduled maturities (notice of which shall be given to the Paying Agent/Registrar by the Issuer at least 35 days prior to any such redemption date), (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) the principal of and interest on the Bonds shall be payable, and (viii) shall be administered and 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 Bonds 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 OF BOND set forth in this Order.

(f) Book-Entry Only System. The Bonds issued in exchange for the Bonds initially issued to the purchaser specified herein 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 (g) 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 and 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.

(g) 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 representation letter 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.

(h) 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 representation letter of the Issuer to DTC.

(i) Cancellation of Initial Bonds. On the closing date, one initial Bond representing the entire principal amount of the Current Interest Bonds and one initial Bond representing the entire maturity amount of the Capital Appreciation Bonds, payable in stated installments to the order of the initial purchaser of the Bonds or its designee, executed by manual or facsimile signature of the

President and Secretary of the Board, approved by the Attorney General of Texas, and registered and manually signed by the Comptroller of Public Accounts of the State of Texas, will be delivered to such purchaser or its designee. Upon payment for the initial Bonds, the Paying Agent/Registrar shall insert the Issuance Date on Bond No. TCAB-1, cancel each of the initial Bonds and deliver to The Depository Trust Company ("DTC") on behalf of such 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, registered in the name of Cede & Co., as nominee of DTC. 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.

(j) Conditional Notice of Redemption. With respect to any optional redemption of the Bonds, unless certain prerequisites to such redemption required by this Order have been met and moneys sufficient to pay the principal of and premium, if any, and interest on the Bonds to be redeemed shall have been received by the Paying Agent/Registrar prior to the giving of such notice of redemption, such notice shall state that said redemption may, at the option of the Issuer, be conditional upon the satisfaction of such prerequisites and receipt of such moneys by the Paying Agent/Registrar on or prior to the date fixed for such redemption, or upon any prerequisite set forth in such notice of redemption. If a conditional notice of redemption is given and such prerequisites to the redemption and sufficient moneys are not received, such notice shall be of no force and effect, the Issuer shall not redeem such Bonds and the Paying Agent/Registrar shall give notice, in the manner in which the notice of redemption was given, to the effect that the Bonds have not been redeemed.

Section 5. FORM OF BONDS. The form of the Bonds, including forms of the initial Current Interest Bond and the initial Capital Appreciation Bond, the form of Paying Agent/Registrar's Authentication Certificate, the form of Assignment and the form of Registration Certificate of the Comptroller of Public Accounts of the State of Texas to be attached to the Bonds initially issued and delivered pursuant to this Order, 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. The Form of Bond shall be completed with information set forth in the Pricing Certificate and shall be attached to the Pricing Certificate as an exhibit thereto.

(a) Form of Bond.

UNITED STATES OF AMERICA
STATE OF TEXAS
ARLINGTON INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BOND, TAXABLE SERIES 2020

[FORM OF FIRST THREE PARAGRAPHS OF CURRENT INTEREST BOND]

NO. R-		PRINCIPAL AMOUNT	
		\$_____	
INTEREST RATE	DATED DATE OF BOND	MATURITY DATE	CUSIP NO.

REGISTERED OWNER:

PRINCIPAL AMOUNT: _____ DOLLARS

ON THE MATURITY DATE specified above, ARLINGTON INDEPENDENT SCHOOL DISTRICT, in Tarrant 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 on each _____ and _____ thereafter to the maturity date specified above, or the date of redemption prior to maturity, 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, or upon the date fixed for its redemption prior to maturity, at the designated trust office of _____ in _____, _____, 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 "Bond 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 last 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 or upon the redemption of this Bond prior to maturity as provided herein shall be paid to the registered owner upon presentation and surrender of this Bond for payment at the designated 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 Bond Order, the amounts required to provide for the payment, in immediately available funds, of all principal of and interest on the Bonds, when due.

[FORM OF FIRST TWO PARAGRAPHS OF CAPITAL APPRECIATION BOND]

NO. CR- PAYMENT
AT
MATURITY
\$ _____

INTEREST RATE	ISSUANCE DATE	MATURITY DATE	CUSIP NO.
---------------	---------------	---------------	-----------

REGISTERED OWNER:

PAYMENT AT MATURITY:

ON THE MATURITY DATE specified above, ARLINGTON INDEPENDENT SCHOOL DISTRICT, in Tarrant 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 Payment at Maturity in the amount set forth above, representing the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____ and _____ of each year commencing _____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table.

THE PAYMENT AT MATURITY of this Bond is payable in lawful money of the United States of America, without exchange or collection charges. The Payment at Maturity of this Bond

shall be paid to the registered owner hereof upon presentation and surrender of this Bond at maturity at the designated trust office of _____, in _____, _____, which is the "Paying Agent/Registrar" for this Bond, and shall be 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 "Bond Order") to be on deposit with the Paying Agent/Registrar for such purpose as hereinafter provided, payable to the registered owner hereof, as it appears on the Registration Books kept by the Paying Agent/Registrar, as hereinafter described. The Issuer covenants with the registered owner of this Bond that on or before the Maturity Date for this Bond it will make available to the Paying Agent/Registrar, from the "Interest and Sinking Fund" created by the Bond Order, the amounts required to provide for the payment, in immediately available funds of the Payment at Maturity, when due.

[FORM OF REMAINDER OF EACH BOND]

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 designated 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 _____, authorized in accordance with the Constitution and laws of the State of Texas in the principal amount of \$_____ for the purpose of providing funds to refund a portion of the Issuer's outstanding unlimited tax bonds, and comprised of (i) Bonds in the aggregate original principal amount of \$_____ that pay interest only at maturity (the "Capital Appreciation Bonds") and (ii) Bonds in the aggregate original principal amount of \$_____ that pay interest semiannually until maturity (the "Current Interest Bonds").

THE CURRENT INTEREST BONDS OF THIS SERIES maturing on _____ in the years _____ are subject to mandatory redemption prior to maturity in part at random, by lot or other customary method selected by the Paying Agent/Registrar, at par plus accrued interest to the redemption date, and without premium, with funds on deposit in the Interest and Sinking Fund. Such Bonds shall be redeemed by the Paying Agent/Registrar on _____ in each of the years and in the principal amounts, respectively, as are set forth in the following schedule:

Bonds Maturing		Bonds Maturing		Bonds Maturing	
_____		_____		_____	
<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>

⁽¹⁾ Final maturity of Bond.

The principal amount of the Current Interest Bonds required to be redeemed pursuant to the operation of such mandatory sinking fund shall be reduced by the principal amount of any Current Interest Bonds which, at least 45 days prior to the mandatory sinking fund redemption date (i) shall have been purchased by the Issuer and delivered to the Paying Agent/Registrar for cancellation or (ii) redeemed pursuant to the optional redemption provision described below and not theretofore credited against a mandatory sinking fund requirement.

IN ADDITION TO THE FOREGOING MANDATORY REDEMPTION, the Current Interest Bonds of this series maturing on and after _____ may be redeemed prior to their scheduled maturities on any date on or after _____, 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 Current Interest Bonds, or portions thereof, to be redeemed shall be selected and designated by the Issuer (provided that a portion of a Current Interest 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.

AT LEAST 30 days prior to the date fixed for any redemption of Current Interest 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 Current Interest Bond to be redeemed at its address as it appeared on the day such notice of redemption is mailed 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 Current Interest 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 Current Interest 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 Current Interest 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 Current Interest Bond shall be redeemed a substitute Current Interest Bond or Current Interest 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.

ALL BONDS OF THIS SERIES are issuable solely as fully registered Bonds, without interest coupons, with respect to Current Interest Bonds, in the denomination of any integral multiple of \$5,000, and with respect to Capital Appreciation Bonds, in the denomination of \$5,000 payment at maturity amounts 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 Current Interest 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 Current Interest 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 Bond 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 limit as to rate or amount.

THE ISSUER ALSO HAS RESERVED THE RIGHT to amend the Bond 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 Bond Order, agrees to be bound by such terms and provisions, acknowledges that the Bond 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 Bond 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.

Secretary, Board of Trustees

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 Bond 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.

Date of authentication: _____

Paying Agent/Registrar

By _____
Authorized Signatory

(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:

REGISTRATION CERTIFICATE OF
COMPTROLLER OF PUBLIC ACCOUNTS

OFFICE OF THE COMPTROLLER
OF PUBLIC ACCOUNTS
OF THE STATE OF TEXAS

§
§
§

REGISTER NO. _____

I HEREBY CERTIFY that there is on file and of record in my office a certificate of the Attorney General of the State of Texas to the effect that this Bond has been examined by him as required by law, that he finds that it has been issued in conformity with the Constitution and laws of the State of Texas, and that it is a valid and binding obligation of Arlington Independent School District, and that this Bond has this day been registered by me.

WITNESS MY SIGNATURE AND SEAL this _____.

Comptroller of Public Accounts of the State of Texas

(COMPTROLLER'S SEAL)

(e) Insertions for the initial Current Interest Bond.

(i) The initial Current Interest Bond shall be in the form set forth in paragraph (a) of this Section, 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:

"ARLINGTON INDEPENDENT SCHOOL DISTRICT (the "Issuer"), being a political subdivision located in Tarrant County, Texas, hereby promises to pay to the Registered Owner specified above, or registered assigns (hereinafter called the "Registered Owner"), on the dates, in the principal installments and bearing interest at the per annum rates set forth in the following schedule:

Maturity Dates Principal Installments Interest Rates

(Information for the Current Interest 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 _____ at the respective Interest Rate per annum specified above. Interest is payable on _____, and on each _____ and _____ thereafter to the date of payment of the principal installment specified above, or the date of redemption prior to maturity; 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 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 Current Interest Bond shall be numbered "TR-1" unless there are no Capital Appreciation Bonds issued, in which case the initial Current Interest Bond shall be numbered "T-1."

(f) Insertions for the initial Capital Appreciation Bond.

(i) The initial Capital Appreciation Bond shall be in the form set forth in paragraph (a) of this Section, 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:

"ARLINGTON INDEPENDENT SCHOOL DISTRICT, in Tarrant 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 Payment at Maturity on the date and in the Maturity Amount set forth in the following schedule:

<u>Maturity Date</u>	<u>Maturity Amount</u>	<u>Interest Rate</u>
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(Information for the Capital Appreciation Bonds from Pricing Certificate to be inserted)

The amount shown above as the Maturity Amount represents the principal amount hereof and accrued and compounded interest hereon. Interest shall accrue on the principal amount hereof from the Issuance Date at the interest rate per annum specified above, compounded semiannually on _____ and _____ of each year, commencing _____. For convenience of reference, a table appears on the back of this Bond showing the "Compounded Amount" of the original principal amount plus initial premium, if any, per \$5,000 Maturity Amount compounded semiannually at the yield shown on such table."

C. The initial Capital Appreciation Bond shall be numbered "TCAB-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, plus accrued interest on the Current Interest Bonds from the dated date thereof to the Issuance Date, 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, Texas 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. Should Texas law be amended at any time while the Bonds are outstanding and unpaid, the result of such amendment being 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, in order to preserve to the registered owners of the Bonds a security interest in said pledge, the Issuer agrees to take such measures as it determines are reasonable and necessary under Texas law to comply with the applicable provisions of Chapter 9, Business & Commerce Code and enable a filing of a security interest in said pledge to occur.

Section 7. FACILITIES ALLOTMENT FUNDS. In connection with the issuance of the Bonds, the Issuer may receive financial assistance from the Texas Education Agency in accordance with the instructional facilities allotment program 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 other 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 8. 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. 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 subsection 8(a)(i) or (ii) 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 subsection 8(a)(i) or (ii). 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 refund, retire or otherwise 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 9. **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(b) of this Order for Bonds issued in conversion and exchange for other Bonds.

Section 10. CUSTODY, APPROVAL, AND REGISTRATION OF BONDS; BOND COUNSEL'S OPINION, CUSIP NUMBERS AND CONTINGENT INSURANCE PROVISION OR PERMANENT SCHOOL FUND GUARANTEE PROVISION, IF OBTAINED. The President of the Board of Trustees of the Issuer is hereby authorized to have control of the Bonds initially issued and delivered hereunder and all necessary records and proceedings pertaining to the Bonds pending their delivery and their investigation, examination, and approval by the Attorney General of the State of Texas, and their registration by the Comptroller of Public Accounts of the State of Texas. Upon registration of the Bonds said Comptroller of Public Accounts (or a deputy designated in writing to act for said Comptroller) shall manually sign the Comptroller's Registration Certificate attached to such Bonds, and the seal of said Comptroller shall be impressed, or placed in facsimile, on such Certificate. The approving legal opinion of the Issuer's 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. If bond insurance is obtained or if the Bonds are guaranteed by the Texas Permanent School Fund, the Bonds may bear an appropriate legend as provided by the insurer or the Texas Education Agency, respectively.

Section 11. COVENANTS REGARDING TAX EXEMPTION OF INTEREST ON THE BONDS. Subject to the determination of the Pricing Officer, as set forth in the Pricing Certificate as to the treatment of the Bonds pursuant to the Code, the Issuer makes the following covenants with respect to the Bonds.

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

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

(2) to take any action to assure that in the event that the "private business use" described in subsection (1) hereof exceeds 5 percent of the proceeds of the Bonds or the projects financed therewith (less amounts deposited into a reserve fund, if any) then the amount in excess of 5 percent is used for a "private business use" which is "related" and not "disproportionate," within the meaning of section 141(b)(3) of the Code, to the governmental use;

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

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

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

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

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

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

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

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

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

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

(b) Rebate Fund. In order to facilitate compliance with the above covenant (8), a "Rebate Fund" is hereby established by the Issuer for the sole benefit of the United States of America, and such fund shall not be subject to the claim of any other person, including without limitation the bondholders. The Rebate Fund is established for the additional purpose of compliance with section 148 of the Code.

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

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

Section 12. SALE OF BONDS; OFFICIAL STATEMENT.

(a) The Bonds shall be sold and delivered subject to the provisions of Section 1 and Section 3 and pursuant to the terms and provisions of a bond purchase agreement, notice of sale and bidding instructions or private placement agreement (collectively, the "Purchase Agreement") which the Pricing Officer is hereby authorized to execute and deliver and in which the purchaser or purchasers (collectively, the "Purchaser") of the Bonds shall be designated. The Bonds shall initially 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 preliminary official statement and a final official statement relating to the Bonds to be used by the Purchaser in the marketing of the Bonds.

Section 13. FURTHER PROCEDURES. (a) The President or Vice President and Secretary of the Board of Trustees of the Issuer, the Superintendent and Chief Financial Officer of the Issuer (collectively, the Authorized Officers, and individually, each an "Authorized 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 in substantially the form presented to the Board at the meeting at which this Order was adopted 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 Letter of Representations, 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 Letter of Representations 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 McCall, Parkhurst & Horton L.L.P., bond counsel to the Issuer, which opinion shall be dated as of and delivered on the date of initial delivery of the Bonds to the initial purchasers.

(c) 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 14. PERMANENT SCHOOL FUND GUARANTEE PROGRAM. If the Bonds qualify for guarantee by the Permanent School Fund of Texas, 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 Texas 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 Texas 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 of Public Accounts of the State of Texas 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 15. COMPLIANCE WITH RULE 15c2-12.

(a) If the Bonds are sold by public offering, and are subject to the Rule (as defined below), the following provisions shall apply:

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

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

"MSRB" means the Municipal Securities Rulemaking Board.

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

"SEC" means the United States Securities and Exchange Commission.

(ii) Annual Reports. (A) The Issuer shall provide annually to the MSRB, in the electronic format prescribed by the MSRB, financial information and operating data (the "Annual Operating Report") with respect to the Issuer of the general type included in the final Official Statement authorized by this Ordinance, being the information described in the Pricing Certificate. The Issuer will additionally provide financial statements of the Issuer (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in the Pricing Certificate or such other accounting principles as the Issuer may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in the final Official Statement

and (ii) audited, if the Issuer commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The Issuer will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2020. The Issuer may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the Issuer shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

(B) 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 documents available to the public on the MSRB's internet website or filed with the SEC.

(iii) Event Notices. The Issuer shall notify the MSRB, in a timely manner not in excess of ten Business Days after the occurrence of the event, of any of the following events with respect to the Bonds:

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 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 Paying Agent/Registrar or change in the name of the Paying Agent/Registrar, if material;

15. Incurrence of a Financial Obligation of the Issuer, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the Issuer, any of which 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.

The Issuer shall notify the MSRB, in a timely manner, of any failure by the Issuer to provide financial information or operating data in accordance with subsection (ii) of this Section by the time required by subsection (ii). As used in clause (iii)12 above, the phrase "bankruptcy, insolvency, receivership or similar event" means the appointment of a receiver, fiscal agent or similar officer for the Issuer in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court of governmental authority has assumed jurisdiction over substantially all of the assets or business of the Issuer, or if jurisdiction has been assumed by leaving the Board 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.

(iv) Limitations, Disclaimers, and Amendments. (A) The Issuer shall be obligated to observe and perform the covenants specified in this Section for so long as, but only for so long as, the Issuer remains an "obligated person" with respect to the Bonds within the meaning of the Rule, except that the Issuer in any event will give notice of any deposit made in accordance with this Order or applicable law that causes the Bonds no longer to be outstanding.

(B) 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.

(C) 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.

(D) No default by the Issuer in observing or performing its obligations under this Section shall comprise a breach of or default under the 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.

(E) 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 (b) 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.

(b) If the Bonds are sold by private placement, the Pricing Officer may agree to provide for an undertaking in accordance with the Rule or may agree to provide other public information to the purchaser as may be necessary for the sale of the Bonds on the most favorable terms to the Issuer.

Section 16. 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, (v) 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 (iv) 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 of Bonds then outstanding measured by original principal amount 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 of, or redemption premium, if any, payable on any outstanding Bonds;
- (4) Modify the terms of payment of principal or of interest or redemption premium 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 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.

(g) 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 17. REDEMPTION OF REFUNDED OBLIGATIONS.

(a) Subject to execution and delivery of the Purchase Agreement with the Purchaser, the Issuer hereby directs that the Refunded Obligations be called for redemption on the dates and at the prices set forth in the Pricing Certificate.

(b) The paying agent/registrar for the Refunded Obligations is hereby directed to provide the appropriate notice of redemption as required by the Refunded Obligations and is hereby directed to make appropriate arrangements so that the Refunded Obligations may be redeemed on the appropriate redemption date.

(c) If the redemption of the Refunded Obligations results in the partial refunding of any maturity of the Refunded Obligations, the Pricing Officer shall direct the paying agent/registrar for the Refunded Obligations to designate at random and by lot which of the Refunded Obligations will be payable from and secured solely from ad valorem taxes of the Issuer pursuant to the order of the Issuer authorizing the issuance of such Refunded Obligations (the "Refunded Bond Order"). For purposes of such determination and designation, all Refunded Obligations registered in denominations greater than \$5,000 shall be considered to be registered in separate \$5,000 denominations. The paying agent/registrar shall notify by first-class mail all registered owners of all affected bonds of such maturities that: (i) a portion of such bonds have been refunded and are secured until final maturity solely with cash and investments maintained by the Escrow Agent in the Escrow Fund, (ii) the principal amount of all affected bonds of such maturities registered in the name of such registered owner that have been refunded and are payable solely from cash and investments in the Escrow Fund and the remaining principal amount of all affected bonds of such maturities registered in the name of such registered owner, if any, have not been refunded and are payable and secured solely from ad valorem taxes of the Issuer described in the Refunded Obligation Order, (iii) the registered owner is required to submit his or her Refunded Obligations to the paying agent/registrar, for the purposes of re-registering such registered owner's bonds and assigning new CUSIP numbers in order to distinguish the source of payment for the principal and interest on such bonds, and (iv) payment of principal of and interest on such bonds may, in some circumstances, be delayed until such bonds have been re-registered and new CUSIP numbers have been assigned as required by (iii) above.

(d) The source of funds for payment of the principal of and interest on the Refunded Obligations on their respective maturity or redemption dates shall be from the funds deposited with the Escrow Agent, pursuant to the Escrow Agreement approved in Section 3 of this Order, or from

amounts deposited with the paying agent/registrars for the Refunded Obligations from proceeds of the Bonds, if there is no Escrow Agreement.

Section 18. GOVERNING LAW. This Order shall be construed and enforced in accordance with the laws of the State of Texas and the United States of America.

Section 19. 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.

Section 20. EVENTS OF DEFAULT. Each of the following occurrences or events for the purpose of this Order is hereby declared to be an event of default (an "Event of Default"):

- (i) the failure to make payment of the principal of or interest on any of the Current Interest Bonds or the Maturity Value of the Capital Appreciation Bonds when the same becomes due and payable; or
- (ii) default in the performance or observance of any other covenant, agreement or obligation of the Issuer, the failure to perform which materially, adversely affects the rights of the Registered Owners, including, but not limited to, their prospect or ability to be repaid in accordance with this Order, and the continuation thereof for a period of 60 days after notice of such default is given by any Registered Owner to the Issuer.

Section 21. REMEDIES FOR DEFAULT. (a) Upon the happening of any Event of Default, then and in every case, any Owner or an authorized representative thereof, including, but not limited to, a trustee or trustees therefor, may proceed against the Issuer for the purpose of protecting and enforcing the rights of the Owners under this Order, by mandamus or other suit, action or special proceeding in equity or at law, in any court of competent jurisdiction, for any relief permitted by law, including the specific performance of any covenant or agreement contained herein, or thereby to enjoin any act or thing that may be unlawful or in violation of any right of the Owners hereunder or any combination of such remedies.

(b) It is provided that all such proceedings shall be instituted and maintained for the equal benefit of all Owners of Bonds then outstanding.

Section 22. REMEDIES NOT EXCLUSIVE. (a) No remedy herein conferred or reserved is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or under the Bonds or now or hereafter existing at law or in equity; provided, however, that notwithstanding any other provision of this Order, the right to accelerate the debt evidenced by the Bonds shall not be available as a remedy under this Order.

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

(c) By accepting the delivery of a Bond authorized under this Order, such Owner agrees that the certifications required to effectuate any covenants or representations contained in this Order do not and shall never constitute or give rise to a personal or pecuniary liability or charge against the officers, employees or trustees of the Issuer or the Board.

SCHEDULE I

SCHEDULE OF ELIGIBLE REFUNDED OBLIGATIONS

Arlington Independent School District Unlimited Tax School Building Bonds, Series 2014A, specifically, those bonds of the series that mature or are subject to mandatory sinking fund redemption on and after February 15, 2024, as shown in the following table:

Original Maturity Date (2/15)	Principal Amount Outstanding
2024	\$ 6,970,000
2025	6,945,000
2026	7,295,000
2027	6,830,000
2028	7,145,000
2029	7,435,000
2030	7,735,000
2031	8,055,000
2032	8,380,000
2033	8,725,000
2034	9,125,000
2035	9,595,000
2036 ⁽¹⁾	10,085,000
2037 ⁽¹⁾	10,605,000
2038 ⁽¹⁾	11,150,000
2039 ⁽¹⁾	<u>11,720,000</u>
Totals	<u>\$137,795,000</u>

⁽¹⁾ Represents mandatory sinking fund payment for the 2/15/2039 current interest term bond of the series.

**Arlington Independent School District
Board of Trustees Communication**

Meeting Date: June 16, 2020	Action Item
Subject: Consider and Take Action on a Resolution Appointing Consultants and Directing Staff and Consultants to Prepare for the Issuance and Sale of Taxable Refunding Bonds	

Purpose: To give the Board of Trustees the opportunity to consider and act on a resolution appointing a financial advisor, bond counsel and underwriters, and directing staff and the appointed consultants to prepare for the sale of taxable refunding bonds.


Background: AISD has the potential to refund the District's Series 2014A bond issue for debt service savings. Taxable bonds can be issued to advance refund the outstanding portion of these bonds.

Under current market conditions, the total amount of the outstanding bonds proposed to be refunded is \$137,795,000. The projected net total savings through 2039 is \$13,393,893 at current market rates, and the present value savings at current market rates is 9.72% of the refunded bonds.

The Administration recommends that the engagements of Hilltop Securities Inc. as financial advisors and McCall, Parkhurst & Horton L.L.P. as bond counsel be extended in connection with the issuance, sale and delivery of the Taxable Series 2020 bond sale. Administration further recommends that the following firms be appointed to act as underwriters with respect to the offering of the proposed bonds:

- Senior Manager: RBC Capital Markets
- Co-Managers: Raymond James
Piper Jaffray
JP Morgan
Stephens Inc.

Recommendation: The Administration recommends that the Board approve the resolution appointing a financial advisor, bond counsel and underwriters, and directing staff and the appointed consultants to prepare for the sale of bonds.

Submitted to: Board of Trustees Arlington Independent School District	Submitted by: 
	Prepared by: Tony Drollinger
	Date: June 12, 2020

RESOLUTION APPOINTING CONSULTANTS AND DIRECTING STAFF
AND CONSULTANTS TO PREPARE FOR THE ISSUANCE AND SALE OF
TAXABLE REFUNDING BONDS

WHEREAS, based on recent market conditions, the District has the potential to refund the District's Series 2014A Bonds for debt service savings; and

WHEREAS, among the District's outstanding unlimited tax bonds are the Unlimited Tax School Building Bonds, Series 2014A; and

WHEREAS Series 2014A Bonds can be redeemed prior to maturity beginning February 15, 2023; and

WHEREAS, based on recent market conditions, the District has the potential to refund the Series 2014A Bonds for debt service savings by issuing a taxable series of its unlimited tax refunding bonds to fund an escrow account for the Series 2014A Bonds, which escrow account will provide for the defeasance and redemption of the Series 2014A Bonds on February 15, 2023; and

WHEREAS, at the meeting at which this resolution is adopted, the Board will consider an order authorizing the issuance of the District's Unlimited Tax Refunding Bonds, Taxable Series 2020 (the "Refunding Order") and delegating to the Superintendent and the Chief Financial Officer, as the District's "Pricing Officers," authority to execute the refunding within specific parameters (the "Refunding Parameters"); and

WHEREAS, upon approval of the Refunding Order, it is appropriate that the Board appoint an underwriting syndicate for the refunding; and

WHEREAS, in furtherance of such determination and circumstances, this Board desires to extend the engagement of the District's financial advisor and bond counsel for the potential issuance of the Unlimited Tax Refunding Bonds, Taxable Series 2020; and

WHEREAS, this Board desires to direct such consultants and staff to take all such action as may be necessary to prepare for the issuance and sale of such bonds to refund all or part of the Series 2014A Bonds (all such bonds to be issued for such purpose are hereinafter the "Proposed 2020 Taxable Refunding Bonds").

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF ARLINGTON INDEPENDENT SCHOOL DISTRICT THAT:

Section 1. Appointment of Financial Advisor. The extension of the engagement of Hilltop Securities Inc., as financial advisor to the District in connection with the issuance, sale and delivery of the Proposed 2020 Taxable Refunding Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the District and such firm with respect to such services as financial advisor is hereby authorized in such form as may be approved by the President of the Board of Trustees, and the President is hereby authorized to execute such engagement letter.

Section 2. Appointment of Bond Counsel. The extension of the engagement of McCall, Parkhurst & Horton L.L.P. as bond counsel to the District in connection with the issuance, sale and delivery of the Proposed 2020 Taxable Refunding Bonds is hereby approved and confirmed. The execution and delivery of an engagement letter between the District 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 of Trustees, and the President is hereby authorized to execute such engagement letter.

Section 3. Appointment of Underwriters. The Board hereby selects and appoints the following firms to act as underwriters with respect to the offering of the Proposed 2020 Taxable Refunding Bonds, provided that the terms of such appointment shall be as set forth in a bond purchase contract that will be approved by a Pricing Officer of the District at the time that the Pricing Officer approves the sale of the Proposed 2020 Taxable Refunding Bonds:

RBC Capital Markets, LLC – senior manager
JPMorgan Securities, LLC – co-manager
Raymond James & Associates, Inc. – co-manager
Piper Sandler & Co. – co-manager
Stephens Inc. – co-manager

Section 4. Authorization to Proceed with the Financing. The Board hereby authorizes and directs that its financial advisor, bond counsel and professional staff proceed with such actions, including preparing a bond official statement, making application to the Texas Education Agency for a Permanent School Fund guarantee for the Proposed 2020 Bonds, obtaining ratings from one or more national rating agencies, and taking such other steps needed with respect to the offering of the Proposed 2020 Taxable Refunding Bonds, provided that such bonds shall be issued and sold only in accordance with the Refunding Parameters as set forth in the Refunding Order.

Passed, approved and effective this June 16, 2020.

President, Board of Trustees

ATTEST:

Secretary, Board of Trustees



1201 Elm Street, Suite 3500
Dallas, Texas 75270

(214) 953-8705 Direct
(214) 840-5081 Fax

George Williford
Regional Managing Director

George.Williford@hilltopsecurities.com

June 9, 2020

Ms. Cindy Powell
Chief Financial Officer
Arlington Independent School District
1203 West Pioneer Parkway
Arlington, Texas 76013

Re: Engagement of Financial Advisor

Dear Ms. Powell:

Hilltop Securities Inc. (“HTS” or “HilltopSecurities”) appreciates the opportunity to continue to serve Arlington Independent School District (the “District”) as its Financial Advisor on its upcoming issuance of Unlimited Tax Refunding Bonds, Taxable Series 2020 (the “Bonds”). Please let this letter confirm the terms of our engagement.

Scope of Services and Engagement Duration:

HTS agrees to provide financial advisory services to the District related to the issuance of the Bonds. This engagement shall begin upon your written acceptance below and shall remain in effect until delivery of the Bonds or until terminated by either party.

Planning for New Issuance

1. **Recommendations.** Making recommendations to the District on the contemplated issuance, including such elements as the date of issue, interest payment dates, schedule of principal maturities, options for prepayment, security provisions, and such other provisions as may be appropriate.
2. **Market Information.** Advising the District of HilltopSecurities’ view of current bond market conditions, other related forthcoming bond issues and general information (including applicable economic data) which might normally be expected to influence interest rates or bidding conditions relevant to setting an appropriate date and time for the sale of the issuance.
3. Reviewing the District’s recommended investment banking firms, as sole underwriter or as managers of an underwriting syndicate, for the purpose of negotiating the purchase of the municipal securities;
 - (a) Cooperating with and assisting any selected sole or managing underwriter and its counsel, as well as any disclosure counsel retained by the District, in connection with the preparation of any preliminary or final official statement or offering memorandum. HTS

will cooperate with and assist the underwriters in the preparation of a bond purchase contract, an underwriters' agreement and other related documents;

(b) Advising the District on the fairness of the price offered by the underwriters;

(c) Advising the District in connection with any terms and conditions it may wish to establish with respect to order priorities and other similar matters relating to the underwriting of the new issuance;

4. **Offering Documents for Competitive Offerings.** Coordinating the preparation of the notice of sale and bidding instructions, preliminary official statement (including cooperating with and assisting any disclosure counsel retained by the District), official bid form and such other documents as may be required and submitting all such documents to the District for examination, approval and certification. After such examination, approval and certification, HilltopSecurities shall provide the District with a supply of all such documents sufficient to its needs and distribute sets of the same to prospective bidders for the municipal securities. HilltopSecurities also shall provide copies of the final official statement to the winning bidder purchasing the municipal securities in the MSRB-designated electronic format and in accordance with the notice of sale and bidding instructions promptly after the District approves the final official statement for distribution.

5. **Credit Ratings.** Making recommendations to the District on the advisability of obtaining one or more credit ratings for the issuance and, when directed by the District, coordinating the preparation of such information as may be appropriate for submission to any rating agency. In those cases where the advisability of personal presentation of information to a rating agency may be indicated, HilltopSecurities will arrange for such personal presentations, utilizing such composition of representatives from the District as may be approved or directed by the District.

6. **Bond Counsel.** Maintaining liaison with bond counsel in the preparation of all legal documents pertaining to the authorization, sale and issuance of the municipal securities.

* * * * *

Amendments to this scope of Municipal Advisory Services may be effected by replacement with a new version or by the addition of an addendum, either of which shall be dated.

Expenses Reimbursement and Compensation for Services Rendered:

The fees due to HTS for the services set forth and described above with respect to the issuance of the Bonds shall be calculated in accordance with the schedule set forth on Appendix A attached hereto. Unless specifically provided otherwise on Appendix A or in a separate written agreement between the District and HTS, such fees, together with any other fees as may have been mutually agreed upon and all expenses for which HTS is entitled to reimbursement, shall become due and payable concurrently with the delivery of the Bonds to the purchaser.

Miscellaneous:

This letter agreement shall be construed and given effect in accordance with the laws of the State of Texas.

Hilltop Securities affirms that it does not and will not boycott Israel during the term of this agreement. Tex. Gov't Code §2270.

HilltopSecurities is providing its Municipal Advisor Disclosure Statement (the "Disclosure Statement"), current as of the date of this Agreement, setting forth disclosures by HilltopSecurities of material conflicts of interest, if any, and of any legal or disciplinary events required to be disclosed pursuant to Municipal

Securities Rulemaking Board Rule G-42. The Disclosure Statement also describes how HilltopSecurities addresses or intends to manage or mitigate any disclosed conflicts of interest, as well as the specific type of information regarding, and the date of the last material change, if any, to the legal and disciplinary events required to be disclosed on Forms MA and MA-1 filed by HilltopSecurities with the Securities and Exchange Commission.

We look forward to working with you during this engagement. Please acknowledge acceptance of these terms by signing in the space provided below and returning one copy of this letter to me.

Sincerely,

Hilltop Securities Inc.

By: George H. Williford
George H. Williford
Regional Managing Director

Agreed and Accepted:

Arlington Independent School District

By: _____

Name: _____

Title: _____

Date: _____

APPENDIX A
ARLINGTON INDEPENDENT SCHOOL DISTRICT

The fees due HTS will not exceed those contained in our customary fee schedule as listed below.

\$3,000	Base Fee		
plus \$ 4.00 per \$1,000	for the first	\$ 5,000,000	of bonds issued
plus \$ 2.00 per \$1,000	for the next	\$ 5,000,000	of bonds issued
plus \$ 1.00 per \$1,000	for the next	\$ 10,000,000	of bonds issued
plus \$.75 per \$1,000	all above	\$ 20,000,000	of bonds issued

The charges for ancillary services, including computer structuring and official statement printing, shall be levied only for those services which are reasonably necessary in completing the transaction and which are reasonable in amount, unless such charges were incurred at the specific direction of the District.

The payment of charges for financial advisory services related to the issuance of the Bonds shall be contingent upon the delivery of the Bonds and shall be due at the time that the Bonds are delivered.

The District shall be responsible for the following expenses, if and when applicable, whether they are charged to the District directly as expenses or charged to the District by HTS as reimbursable expenses:

- Bond counsel
- Bond printing
- Bond ratings
- Computer structuring
- Credit enhancement
- CPA fees for refunding
- Official statement preparation and printing
- Paying agent/registrar/trustee
- Travel expenses
- Underwriter and underwriters counsel
- Miscellaneous, including copy, delivery, and phone charges

The payment of reimbursable expenses that HTS has assumed on behalf of the District shall NOT be contingent upon the delivery of the Bonds and shall be due at the time that services are rendered and payable upon receipt of an invoice therefor submitted by HTS.

MUNICIPAL ADVISOR DISCLOSURE STATEMENT

This disclosure statement (“Conflict Disclosures”) is provided by **Hilltop Securities Inc.** (“the Firm”) to you (the “Client”) in connection with our current municipal advisory agreement, (“the Agreement”). These Conflict Disclosures provide information regarding conflicts of interest and legal or disciplinary events of the Firm that are required to be disclosed to the Client pursuant to MSRB Rule G-42(b) and (c)(ii).

PART A – Disclosures of Conflicts of Interest

MSRB Rule G-42 requires that municipal advisors provide to their clients disclosures relating to any actual or potential material conflicts of interest, including certain categories of potential conflicts of interest identified in Rule G-42, if applicable.

Material Conflicts of Interest – The Firm makes the disclosures set forth below with respect to material conflicts of interest in connection with the Scope of Services under the Agreement with the Firm, together with explanations of how the Firm addresses or intends to manage or mitigate each conflict.

General Mitigations – As general mitigations of the Firm’s conflicts, with respect to all of the conflicts disclosed below, the Firm mitigates such conflicts through its adherence to its fiduciary duty to Client, which includes a duty of loyalty to Client in performing all municipal advisory activities for Client. This duty of loyalty obligates the Firm to deal honestly and with the utmost good faith with Client and to act in Client’s best interests without regard to the Firm’s financial or other interests. In addition, because the Firm is a broker-dealer with significant capital due to the nature of its overall business, the success and profitability of the Firm is not dependent on maximizing short-term revenue generated from individualized recommendations to its clients but instead is dependent on long-term profitability built on a foundation of integrity, quality of service and strict adherence to its fiduciary duty. Furthermore, the Firm’s municipal advisory supervisory structure, leveraging our long-standing and comprehensive broker-dealer supervisory processes and practices, provides strong safeguards against individual representatives of the Firm potentially departing from their regulatory duties due to personal interests. The disclosures below describe, as applicable, any additional mitigations that may be relevant with respect to any specific conflict disclosed below.

I. Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm’s advisory activities within the Scope of Services outlined in the Agreement. Hilltop Securities Asset Management (HSAM), a SEC-registered affiliate of the Firm, provides post issuance services including arbitrage rebate and treasury management. The Firm’s arbitrage team verifies rebate and yield restrictions on the investments of bond proceeds on behalf of clients in order to meet IRS restrictions. The treasury management division performs portfolio management/advisor services on behalf of public sector clients. The Firm, through affiliate Hilltop Securities Asset Management (HSAM), provides a multi-employer trust tailor-made for public entities which allows them to prefund Other Post-Employment Benefit liabilities. The Firm has a structured products desk that provides advice to help clients mitigate risk through investment management, debt management and commodity price risk management products. These products consist of but are not limited to swaps (interest rate, currency, commodity), options, repos, escrow structuring and other securities. Continuing Disclosure services provided by the Firm work with issuers to assist them in meeting disclosure requirements set forth in SEC rule 15c2-12. Services include but are not limited to ongoing maintenance of issuer compliance, automatic tracking of issuer’s annual filings and public notification of material events.

The Firm administers government investment pools. These programs offer governmental entities investment options for their cash management programs based on the entities specific needs. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

II. PlainsCapital Bank Affiliate Conflict. The Firm, directly and through affiliated companies, provides or may provide services/advice/products to or on behalf of clients that are related to the Firm's advisory activities within the Scope of Services outlined in the Agreement. Affiliate, PlainsCapital Bank, provides banking services to municipalities including loans and custody. The Firm and the aforementioned affiliate's business with a client could create an incentive for the Firm to recommend to a client a course of action designed to increase the level of a client's business activities with the affiliates or to recommend against a course of action that would reduce or eliminate a client's business activities with the affiliates. This potential conflict is mitigated by the fact that the Firm and affiliates are subject to their own comprehensive regulatory regimes.

III. Other Municipal Advisor or Underwriting Relationships. The Firm serves a wide variety of other clients that may from time to time have interests that could have a direct or indirect impact on the interests of Client. For example, the Firm serves as municipal advisor to other municipal advisory clients and, in such cases, owes a regulatory duty to such other clients just as it does to Client. These other clients may, from time to time and depending on the specific circumstances, have competing interests, such as accessing the new issue market with the most advantageous timing and with limited competition at the time of the offering. In acting in the interests of its various clients, the Firm could potentially face a conflict of interest arising from these competing client interests. In other cases, as a broker-dealer that engages in underwritings of new issuances of municipal securities by other municipal entities, the interests of the Firm to achieve a successful and profitable underwriting for its municipal entity underwriting clients could potentially constitute a conflict of interest if, as in the example above, the municipal entities that the Firm serves as underwriter or municipal advisor have competing interests in seeking to access the new issue market with the most advantageous timing and with limited competition at the time of the offering. None of these other engagements or relationships would impair the Firm's ability to fulfill its regulatory duties to Client.

IV. Secondary Market Transactions in Client's Securities. The Firm, in connection with its sales and trading activities, may take a principal position in securities, including securities of Client, and therefore the Firm could have interests in conflict with those of Client with respect to the value of Client's securities while held in inventory and the levels of mark-up or mark-down that may be available in connection with purchases and sales thereof. In particular, the Firm or its affiliates may submit orders for and acquire Client's securities issued in an Issue under the Agreement from members of the underwriting syndicate, either for its own account or for the accounts of its customers. This activity may result in a conflict of interest with Client in that it could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing of Client's bond in the marketplace. Any such conflict is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that such investment activities would have an impact on the services provided by the Firm to Client under this Agreement.

V. Broker-Dealer and Investment Advisory Business. The Firm is dually registered as a broker-dealer and an investment advisor that engages in a broad range of securities-related activities to service its clients, in addition to serving as a municipal advisor or underwriter. Such securities-related activities, which may include but are not limited to the buying and selling of new issue and outstanding securities and

investment advice in connection with such securities, including securities of Client, may be undertaken on behalf of, or as counterparty to, Client, personnel of Client, and current or potential investors in the securities of Client. These other clients may, from time to time and depending on the specific circumstances, have interests in conflict with those of Client, such as when their buying or selling of Client's securities may have an adverse effect on the market for Client's securities, and the interests of such other clients could create the incentive for the Firm to make recommendations to Client that could result in more advantageous pricing for the other clients. Furthermore, any potential conflict arising from the firm effecting or otherwise assisting such other clients in connection with such transactions is mitigated by means of such activities being engaged in on customary terms through units of the Firm that operate independently from the Firm's municipal advisory business, thereby reducing the likelihood that the interests of such other clients would have an impact on the services provided by the Firm to Client.

VI. Compensation-Based Conflicts. Fees that are based on the size of the issue are contingent upon the delivery of the Issue. While this form of compensation is customary in the municipal securities market, this may present a conflict because it could create an incentive for the Firm to recommend unnecessary financings or financings that are disadvantageous to Client, or to advise Client to increase the size of the issue. This conflict of interest is mitigated by the general mitigations described above.

Fees based on a fixed amount are usually based upon an analysis by Client and the Firm of, among other things, the expected duration and complexity of the transaction and the Scope of Services to be performed by the Firm. This form of compensation presents a potential conflict of interest because, if the transaction requires more work than originally contemplated, the Firm may suffer a loss. Thus, the Firm may recommend less time-consuming alternatives, or fail to do a thorough analysis of alternatives. This conflict of interest is mitigated by the general mitigations described above.

Hourly fees are calculated with, the aggregate amount equaling the number of hours worked by Firm personnel times an agreed-upon hourly billing rate. This form of compensation presents a potential conflict of interest if Client and the Firm do not agree on a reasonable maximum amount at the outset of the engagement, because the Firm does not have a financial incentive to recommend alternatives that would result in fewer hours worked. This conflict of interest is mitigated by the general mitigations described above.

PART B – Disclosures of Information Regarding Legal Events and Disciplinary History

MSRB Rule G-42 requires that municipal advisors provide to their clients certain disclosures of legal or disciplinary events material to its client's evaluation of the municipal advisor or the integrity of the municipal advisor's management or advisory personnel.

Accordingly, the Firm sets out below required disclosures and related information in connection with such disclosures.

I. Material Legal or Disciplinary Event. The Firm discloses the following legal or disciplinary events that may be material to Client's evaluation of the Firm or the integrity of the Firm's management or advisory personnel:

- For related disciplinary actions please refer to the Firm's [BrokerCheck](#) webpage.
- The Firm self-reported violations of SEC Rule 15c2-12: Continuing Disclosure. The Firm settled with the SEC on February 2, 2016. The firm agreed to retain independent consultant and adopt the consultant's finding. Firm paid a fine of \$360,000.

- The Firm settled with the SEC in matters related to violations of MSRB Rules G-23(c), G-17 and SEC rule 15B(c) (1). The Firm disgorged fees of \$120,000 received as financial advisor on the deal, paid prejudgment interest of \$22,400.00 and a penalty of \$50,000.00.
- The Firm entered into a Settlement Agreement with Rhode Island Commerce Corporation. Under the Settlement Agreement, the firm agreed to pay \$16.0 million to settle any and all claims in connection with The Rhode Island Economic Development Corporation Job Creation Guaranty Program Taxable Revenue Bond (38 Studios, LLC Project) Series 2010, including the litigation thereto. The case, filed in 2012, arose out of a failed loan by Rhode Island Economic Development Corporation. The firm's predecessor company, First Southwest Company, LLC, was one of 14 defendants. HilltopSecurities' engagement was limited to advising on the structure, terms, and rating of the underlying bonds. Hilltop settled with no admission of liability or wrongdoing.
- On April 30, 2019, the Firm entered into a Settlement Agreement with Berkeley County School District of Berkeley County, South Carolina. The case, filed in March of 2019, arose in connection with certain bond transactions occurring from 2012 to 2014, for which former employees of Southwest Securities, Inc., a predecessor company, provided financial advisory services. The Firm agreed to disgorge all financial advisory fees related to such bond transactions, which amounted to \$822,966.47, to settle any and all claims, including litigation thereto. Under the Settlement Agreement, the Firm was dismissed from the lawsuit with prejudice, no additional penalty, and with no admission of liability or wrongdoing.

II. How to Access Form MA and Form MA-I Filings. The Firm's most recent Form MA and each most recent Form MA-I filed with the SEC are available on the SEC's EDGAR system at [Forms MA and MA-I](#). The SEC permits certain items of information required on Form MA or MA-I to be provided by reference to such required information already filed by the Firms in its capacity as a broker-dealer on Form BD or Form U4 or as an investment adviser on Form ADV, as applicable. Information provided by the Firm on Form BD or Form U4 is publicly accessible through reports generated by BrokerCheck at <http://brokercheck.finra.org/>, and the Firm's most recent Form ADV is publicly accessible at the Investment Adviser Public Disclosure website at <http://www.adviserinfo.sec.gov/>. For purposes of accessing such BrokerCheck reports or Form ADV, click previous hyperlinks.

PART C – Future Supplemental Disclosures

As required by MSRB Rule G-42, this Municipal Advisor Disclosure Statement may be supplemented or amended, from time to time as needed, to reflect changed circumstances resulting in new conflicts of interest or changes in the conflicts of interest described above, or to provide updated information with regard to any legal or disciplinary events of the Firm. The Firm will provide Client with any such supplement or amendment as it becomes available throughout the term of the Agreement.

June 16, 2020

Members of the Board of Trustees
Arlington Independent School District
1203 West Pioneer Parkway
Arlington, Texas 76013

Re: Proposed Arlington Independent School District Unlimited Tax Refunding Bonds, Taxable Series 2020

Ladies and Gentlemen:

The purpose of this engagement letter is to set forth certain matters concerning the services we will perform as bond counsel to the Arlington Independent School District (the "Issuer") in connection with the issuance of the above-referenced bonds (the "Bonds"). We understand that the Bonds are being issued for the purpose of refunding up to \$137,795,000 in aggregate principal amount of the Issuer's Unlimited Tax School Building Bonds, Series 2014A (the "Refunded Bonds"), which will be issued in accordance with the order to be adopted by the Board of Trustees (the "Board") on the date hereof that will authorize the issuance of the Bonds (the "Order").

We also understand that the Bonds will be secured by a pledge of the Issuer's unlimited debt service tax. We further understand that the Bonds will be authorized to be sold by the Board by delegation in accordance with the Order, which shall appoint the Superintendent of Schools or the Chief Financial Officer to act as a pricing officer (the "Pricing Officer") in the manner set forth in Section 1207.007, Texas Government Code, on behalf of the Issuer. In accordance with such delegation, the Pricing Officer will be authorized to negotiate the sale of the Bonds to a purchaser or purchasers (collectively, the "Underwriter"). The Bonds will be sold only in accordance with the direction of the Board as set forth in Section 3 of the Order. The date that the Bonds are priced and the sale negotiated, as aforesaid, is herein referred to as the "Sale Date."

A. THE FINANCING

As Bond Counsel to the Issuer, we would like for the Board to understand how the issuance of the Bonds will be effected and the ramifications of the financing. I will briefly describe the procedures and certain applicable law that pertains to the issuance of the Bonds, below. However, you should feel free to call me at any time to discuss any questions that you or your staff may have.

- (1) The Bonds are being issued to provide debt service savings with respect to the Issuer's future debt service payments. You should discuss the full impact of the debt service restructuring with Hilltop Securities Inc., your financial advisor.

- (2) The Bonds will be "ordered to be issued" when and if the Board approves the Order. The Order provides for certain terms of the Bonds, and delegates to the Pricing Officer other terms of the Bonds. Among the matters approved in the Order or delegated to the Pricing Officer are: (i) the terms of the Bonds, (ii) the principal amortization schedule and interest rates and provision for certain of the Bonds to be issued as current interest bonds that pay interest semiannually, and certain of the Bonds to be issued as "zero coupon bonds" that accrete interest from the delivery date, but pay interest only at maturity; (iii) the Issuer's commitment to levy its debt service tax each year in an amount sufficient to pay the debt service on the Bonds; (iv) the sale of the Bonds to the Underwriter; (v) the approval of this engagement letter; (vi) approval of a paying agent agreement to whom you will make semiannual payments sufficient to pay the debt service on the Bonds; (vii) instructions to the paying agent for the Refunded Bonds to give notice to the holders of the Refunded Bonds that they are being called for redemption; (viii) approval of an escrow agreement whereby the proceeds of the Bonds that are issued for refunding purposes will be used to pay the debt service on the Refunded Bonds; and (ix) covenants of the Issuer to provide on-going disclosures to the public markets in accordance with Rule 15c2-12 of the Securities and Exchange Commission. As you can see from the foregoing description, the Order is an omnibus undertaking of the Issuer that is intended to provide for all actions and undertakings that are required for the issuance of the Bonds. There will be other certificates and letters that will be required to be executed by officers of the Issuer on the Sale Date, but they all spring from, and are authorized by, the Order.
- (3) As noted above, the Bonds will be sold to the Underwriter in accordance with the provisions of the Order and, in addition, the Underwriter will want the Issuer to sign a Bond Purchase Contract on the Sale Date that will set forth the terms of the sale of the Bonds. We will review this Contract on behalf of the District, and you should know that while it is a fairly routine form of document for this type of transaction, it will commit the Issuer to sell the Bonds to the Underwriter at the price to be negotiated between the Issuer (acting through the Pricing Officer) and the Underwriter. In addition, the Contract will contain representations of the Issuer to the Underwriter to the effect that the Issuer is authorized to issue the Bonds and that it has made full disclosure to the Underwriter and the bond investors of all material information. As a result, if there are any unusual financial or legal circumstances affecting the Issuer that would make the covenants, representations or statements made by the Issuer in the Bond Purchase Contract untrue, you should let the Underwriter, your financial advisor and/or the undersigned know about them as soon as possible.
- (4) As a condition to the Underwriter's payment for the Bonds, the Underwriter will require this firm to deliver our Bond Counsel opinion to them, in which we will opine that the Bonds are valid obligations of the Issuer. The Bond Purchase Contract will also require the delivery of an opinion of the Texas Attorney General approving the Bonds, as is required by State law.
- (5) You should know that the purchase price for the Bonds may be somewhat higher than the principal amount of the Bonds. This is because additional proceeds may be generated by the

sale of certain of the Bonds at a premium. The premium, if any, will be used to fund the escrow fund created by the escrow agreement, mentioned above, and to pay costs of issuance of the Bonds. The premium will be taken into account in determining the savings from the refunding, which will be calculated by your financial advisor.

- (6) The Underwriter may offer the Bonds into the public debt markets prior to the time that the Board meets to accept the Underwriter's offer for the Bonds. Through this process, the Bonds will be "priced" – i.e., interest rates and premiums or discounts, if any, for the Bonds will be established. On the Sale Date, the Pricing Officer will consider the terms offered to the Issuer by the Underwriter based upon the market conditions and other factors that determine interest rates and pricing information. In connection with the offering of the Bonds, the Pricing Officer will be authorized to approve an offering document called an "Official Statement" that contains financial and operating data concerning the Issuer, and information that describes the Bonds. The Issuer is responsible for the information that is contained in the Official Statement to the extent that it describes the Bonds and the Issuer. Some information in the Official Statement will be prepared by others, including the Texas Education Agency and the Underwriter, and the Issuer is not responsible for that information. As your Bond Counsel, we will review the Official Statement to ensure that the information describing the Bonds and the Order are correct. As Bond Counsel, we do not review other areas of the Official Statement. If you know of any information that an investor would consider to be material in order to make an investment decision, and that information is omitted from, or incorrect in, the Official Statement, the Underwriter needs to know, so that it can correct the Official Statement.

B. SCOPE OF ENGAGEMENT

In this engagement, we have performed, or expect to perform, the following duties:

- (1) Subject to the completion of proceedings to our satisfaction, render our legal opinion (the "Bond Opinion"), regarding the validity and binding effect of the Bonds and the source of payment and security for the Bonds.
- (2) Prepare and review documents necessary or appropriate to the authorization, issuance and delivery of the Bonds, coordinate the authorization and execution of such documents, and review enabling legislation.
- (3) Assist the Issuer in seeking from other governmental authorities such approvals, permissions and exemptions as we determine are necessary or appropriate in connection with the authorization, issuance and delivery of the Bonds, except that we will not be responsible for any required federal or state securities law filings. In this connection, we particularly undertake to assist the Issuer in having the Bonds approved by the Public Finance Division of the Office of the Texas Attorney General, and, following such approval, registered by the Texas Comptroller of Public Accounts.

- (4) Review legal issues relating to the structure of the Bond issue.
- (5) Review those sections of the Official Statement to be disseminated in connection with the sale of the Bonds which describe the Bonds, the Order pursuant to which they will be issued and the tax status of the interest on the Bonds for purposes of federal income taxation.
- (6) If requested, assist the Issuer in presenting information to bond rating organizations and the Texas Education Agency relating to legal issues affecting the issuance of the Bonds.
- (7) Draft the continuing disclosure undertaking of the Issuer.

Our Bond Opinion will be delivered by us on the date the Bonds are exchanged for their purchase price (the "Closing"). The Issuer will be entitled to rely on our Bond Opinion.

The Bond Opinion will be based on facts and law existing as of its date. In rendering our Bond Opinion, we will rely upon the certified proceedings and other certifications of public officials and other persons furnished to us without undertaking to verify the same by independent investigation, and we will assume continuing compliance by the Issuer with applicable laws relating to the Bonds. During the course of this engagement, we will rely on you to provide us with complete and timely information on all developments pertaining to any aspect of the Bonds and their security. We understand that you will direct members of your staff and other employees of the Issuer to cooperate with us in this regard.

Our duties in this engagement are limited to those expressly set forth above. Unless we are separately engaged in writing to perform other services, our duties do not include any other services, including the following:

- (1) Except as described in sections A and B above, assisting in the preparation or review of an official statement or any other disclosure document with respect to the Bonds, assisting in the preparation of, or opining on, a continuing disclosure undertaking pertaining to the Bonds or, after Closing, providing advice concerning any actions necessary to assure compliance with any continuing disclosure undertaking, or, in connection with the issuance of the Bonds, performing an independent investigation to determine the accuracy, completeness or sufficiency of any such document or rendering advice that the official statement or other disclosure document does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.
- (2) Preparing requests for tax rulings from the Internal Revenue Service, or no action letters from the Securities and Exchange Commission.

- (3) Preparing state securities law memoranda or investment surveys with respect to the Bonds.
- (4) Drafting state constitutional or legislative amendments.
- (5) Pursuing test cases or other litigation.
- (6) Making an investigation or expressing any view as to the creditworthiness of the Issuer or the Bonds.
- (7) Representing the Issuer in Securities and Exchange Commission investigations.
- (8) Negotiating the terms of, or opining as to, any investment contract.
- (9) Addressing any other matter not specifically set forth above that is not required to render our Bond Opinion.

ATTORNEY-CLIENT RELATIONSHIP

Upon execution of this engagement letter, the Issuer will be our client and an attorney-client relationship will exist between us. We further assume that all other parties in this transaction understand that we represent only the Issuer in this transaction, we are not counsel to any other party, and we are not acting as an intermediary among the parties. Our services as bond counsel are limited to those contracted for in this letter; the Issuer's execution of this engagement letter will constitute an acknowledgment of those limitations. Our representation of the Issuer will not affect, however, our responsibility to render an objective Bond Opinion.

Our representation of the Issuer and the attorney-client relationship created by this engagement letter will be concluded upon issuance of the Bonds. Nevertheless, subsequent to Closing, we will mail the appropriate Internal Revenue Service Form 8281, prepare and distribute to the participants in the transaction a transcript of the proceedings pertaining to the Bonds.

CONFLICTS

As you are aware, our firm represents many political subdivisions and investment banking firms, among others, who do business with political subdivisions. It is possible that during the time that we are representing the Issuer, one or more of our present or future clients will have transactions with the Issuer. It is also possible that we may be asked to represent, in an unrelated matter, one or more of the entities involved in the issuance of the Bonds. We do not believe such representation, if it occurs, will adversely affect our ability to represent you as provided in this letter, either because such matters will be sufficiently different from the issuance of the Bonds so as to make such representations not adverse to our representation of you, or because the potential for such adversity is remote or minor and outweighed by the consideration that it is unlikely that advice given to the other client will be relevant to any aspect of the issuance of the Bonds. Execution of this letter will

signify the Issuer's consent to our representation of others consistent with the circumstances described in this paragraph.

Our firm also represents the Texas Education Agency as its special disclosure counsel, which includes advice regarding federal securities law compliance for the Agency's Bond Guarantee Program. We do not believe such representation will adversely affect our ability to represent you as provided in this letter, because both the Texas Education Agency and the Issuer share a common interest in complying with the federal securities laws as they pertain to the disclosure provided in connection with the offering of the Bonds, and therefore our representation of the Agency and the Issuer will not materially and adversely be limited by our respective responsibilities to both entities. Execution of this letter will signify the Issuer's consent to our representation of the Agency consistent with the circumstances described in this paragraph.

FIRM NOT A MUNICIPAL ADVISOR; NO ISRAEL BOYCOTT

As a consequence of the adoption of Rule 15Ba1-1 pursuant to the Securities Exchange Act of 1934 (the "Municipal Advisor Rule"), which has been promulgated by the Securities and Exchange Commission as a result of the enactment of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the "Dodd-Frank Act"), we hereby inform the Issuer that we are not a "Municipal Advisor" within the meaning of the Municipal Advisor Rule or the Dodd-Frank Act (collectively, the "MA Rule"). In the course of performing our services as Bond Counsel in this transaction, we may engage in analysis, discussion, negotiation, and advice to the Issuer regarding the legal ramifications of the structure, timing, terms, and other provisions of the financial transaction that culminates with the planned issuance of the Bonds, and such services and advice may be essential to the development of the plan of finance for the issuance of the Bonds. In turn, these services become, among other things, the basis for the transaction's basic legal documents, the preparation and delivery of the official statement or any other disclosure document that describes the material terms and provisions of the transaction, if an offering document is used in the offering of the Bonds, the preparation of the various closing certificates that embody the terms and provisions of this transaction and the preparation and delivery of our Bond Opinion. Moreover, legal advice and services of a traditional legal nature in the area of municipal finance inherently involve a financial advice component; but we hereby advise the Issuer that while we have expertise with respect to the legal aspects relating to the issuance of municipal securities, we are not "financial advisors" or "financial experts" in a manner that would subject us to the provisions of the MA Rule. As Bond Counsel, we provide only legal advice, not purely financial advice that is not inherent in our legal advice to the Issuer. The Issuer should seek the advice of its financial advisor with respect to the financial aspects of the issuance of the Bonds. By signing this engagement letter, the Issuer acknowledges receipt of this information, and evidences its understanding of the limitations of our role to the Issuer as Bond Counsel with respect to the MA Rule, as discussed in this paragraph.

We hereby represent that during the term of this agreement we do not, nor will we, boycott Israel, in compliance with and within the meaning of 50 U.S.C. Section 4607 and Section 2270.002, of the Texas Government Code.

FEES

Based upon: (i) the terms, structure, size and schedule of the financing represented by the Bonds; (ii) the duties we will undertake pursuant to this engagement letter; (iii) the time we anticipate devoting to the financing; and (iv) the responsibilities we will assume in connection therewith, our fee will be \$0.75 per \$1,000 of net proceeds of the Bonds. Net proceeds include any net original issue premium, less the amount of the underwriters' discount, plus the principal amount of the Bonds (accrued interest is excluded from net proceeds). The fee includes our services rendered as Bond Counsel, but does not include client charges made or incurred on your behalf, such as travel costs, photocopying, deliveries, long distance telephone charges, telecopier charges, computer-assisted research and other expenses. In accordance with the terms of the Order, the Issuer will provide the filing fee of the Texas Attorney General to Bond Counsel on a timely basis to permit the filing of the transcript of proceedings for the Bonds so that the Bonds may be approved by the Attorney General in time to meet the closing date set forth in the Official Statement.

RECORDS

After the transaction has closed, you will receive a transcript of proceedings that contains the primary financing and closing documents related to the transaction. At your request, papers and property furnished by you, and work product belonging to you and to which you are entitled, will be returned promptly. We may have copies of any and all documents made for our files at our sole cost and expense, to be retained by us. For various reasons, including the minimization of unnecessary storage expenses, we reserve the right to dispose of any documents or other materials retained by us after the closing of each transaction.

ELECTRONIC COMMUNICATION AND STORAGE

In the interest of facilitating our services to you, we may send documents, information or data electronically or via the Internet or store electronic documents or data via computer software applications hosted remotely or utilize cloud-based storage. Your confidential electronic documents or data may be transmitted or stored using these methods. We may use third party service providers to store or transmit these documents or data. In using these electronic communication and storage methods, we employ reasonable efforts to keep such communications, documents and data secure in accordance with our obligations under applicable laws, regulations, and professional standards; however, you recognize and accept that we have no control over the unauthorized interception or breach of any communications, documents or data once it has been transmitted or if it has been subject to unauthorized access while stored, notwithstanding all reasonable security measures employed by us or by our third party vendors. By your acceptance of this letter, you consent to our use of these electronic devices and applications and submission of confidential client information to or through third party service providers during this engagement.

If the foregoing terms are acceptable to you, please so indicate by returning the enclosed copy of this engagement letter dated and signed by an authorized officer, retaining the original for your files. We look forward to working with you.

Respectfully yours,

McCall, Parkhurst & Horton L.L.P.

By


Dan S. Culver

Accepted and Approved

Arlington Independent School District

By: _____
Its: President, Board of Trustees
Date: June 16, 2020

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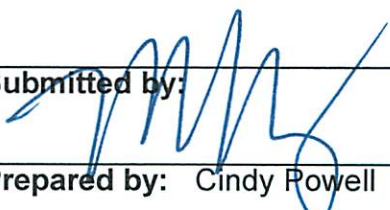
**Arlington Independent School District
Board of Trustees Communication**

Meeting Date: June 16, 2020	Discussion/Action Item
Subject: Preliminary 2020-2021 Budget	

Purpose: To provide the Board of Trustees information and projections on the Preliminary 2020-21 Budget.

Background: The 2020-21 budget has been in development since January 2020. Input has been provided by teachers, administrators, the District-level Instructional Decision-making Committee, and the public.

Preliminary 2020-21 fiscal year budgets for the General Fund, Food Service Fund, Natural Gas Fund, Debt Service Fund and Capital Projects Fund have been presented to the Board. Additional discussions around the budgets will continue at the June 16th Board meeting. In accordance with state law, the Board must adopt a budget for the 2020-21 fiscal year no later than June 30, 2020.

Submitted to: Board of Trustees Arlington Independent School District	Submitted by: 
	Prepared by: Cindy Powell
	Date: June 12, 2020

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Arlington Independent School District Board of Trustees Communication

Meeting Date: June 16, 2020

Consent Item

Subject: Instructional Materials Allotment Used for Advanced Placement Materials (Advanced Placement Environmental Science)

Purpose:


To approve and procure the list of instructional materials pertaining to Advanced Placement materials (Advanced Placement Environmental Science).

Background:

The Advanced Academics Department reviewed resources for Advanced Placement Environmental Science and materials for use across the district. Both print and online components have been selected.

Recommendation:

Administration recommends the Board approve the proposed instructional materials (see attached) for procurement of Advanced Placement materials for Advanced Placement Environmental Science.

Submitted to: Board of Trustees Arlington Independent School District	Submitted by: 
	Prepared by: Dr. Steven Wurtz Date: June 8, 2020

Instructional Materials Allotment 2020

Course/Content	Publisher	Title	Additional Notes
Advanced Placement (AP) Environmental Science	Bedford, Freeman & Worth Publishers	Friedland, Andrew and Rick Relyea. Environmental Science for the AP® Course. 3rd ed.	Out-dated resource/IMA Fund request