

RESOLUTION AUTHORIZING THE DEFEASANCE OF CERTAIN PORTIONS OF THE DISTRICT'S CURRENTLY OUTSTANDING OBLIGATIONS, APPROVING AN INTEREST AND SINKING FUND TAX RATE THAT EXCEEDS THE MINIMUM DEBT RATE, AND OTHER MATTERS RELATED THERETO

WHEREAS, the Pecos-Barstow-Toyah Independent School District (the "District") has heretofore authorized the issuance of the District's Unlimited Tax School Building Bonds, Series 2023 payable, both as to principal and interest, from the receipts of an annual ad valorem tax levied, without legal limits as to rate or amount, upon taxable property within the District (the "Bonds");

WHEREAS, the Bonds are currently outstanding;

WHEREAS, the District wishes to defease a portion of the Bonds (the "Defeased Bonds").

WHEREAS, upon the defeasance of such Defeased Bonds, such Defeased Bonds shall no longer be regarded as outstanding or unpaid;

WHEREAS, the Board of Trustees of the District (the "Board") hereby finds and declares a public purpose and deems it advisable to defease the Defeased Bonds as herein provided;

WHEREAS, the defeasance of the Defeased Bonds requires the approval of a rate that exceed the rate described by section 26.05(a)(1), Texas Tax Code, as amended;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF PECOS-BARSTOW-TOYAH INDEPENDENT SCHOOL DISTRICT THAT:

Section 1. District Representatives; Establishment of Escrow Fund. The Board hereby authorizes and directs the defeasance of the Defeased Bonds in an aggregate principal amount not less than \$49,207,281 (subject to the amount of funds lawfully available to the District) and further directs and authorizes the Superintendent of Schools, Assistant Superintendent of Operations, or the Director of Finance of the District (each a "District Representative"), individually or collectively, to take any and all necessary action needed for the defeasance of the Defeased Bonds, including the delivery of any required Notice of Redemption and Defeasance, the establishment of an escrow fund (including the selection of an escrow agent, the selection of a verification agent, the transfer and deposit of lawfully available funds, procuring and selecting eligible securities, if any, to be held in escrow, and entering into and executing one or more escrow agreements and other related agreements) for payment of the Defeased Bonds. Such defeasance may occur at one or more times pursuant to one or more escrow agreements but must occur on or before August 31, 2027 (the "Funding Deadline") unless otherwise directed by action of the Board. Notwithstanding the foregoing, the Board hereby authorizes and directs a District Representative to ultimately determine the principal amount of Bonds to be defeased and/or redeemed on the basis of the availability of funds for such purpose by the Funding Deadline.

Section 2. Approval of Interest and Sinking Fund Rate. The Board hereby approves an interest and sinking fund rate of \$0.2988 per \$100 of taxable value which exceeds the

minimum interest and sinking fund tax rate determined under Texas Education Code section 44.004(c)(5)(A)(ii)(b) of \$0.1047 per \$100 of taxable value by \$0.1941, the excess revenue collected from such a rate to be used to effectuate the defeasance of the Defeased Bonds.

Section 3. Payment of Professional Fees and Expenses. The Board hereby approves payment from lawfully available District funds of professional fees and expenses of the District's Bond Counsel, the District's Financial Advisor, the Escrow Agent, the Verification Agent, if any, the paying agent/registrar for the Bonds, respectively, and any other party whose services have been determined by a District Representative to be necessary to accomplish the purpose and intent of this Resolution.

Section 4. Further Procedures. The officers and employees of the District are hereby authorized, empowered and directed from time to time and at any time to do and perform all such acts and things and to execute, acknowledge and deliver in the name and under the corporate seal and on behalf of the District all such instruments, whether or not herein mentioned, as may be necessary or desirable in order to carry out the terms and provisions of this Resolution. In addition, District Representatives and Bond Counsel are hereby authorized and directed to approve any technical changes or corrections to this Resolution or to any of the instruments authorized by this Resolution necessary in order to (i) correct any ambiguity or mistake or properly or more completely document the transactions contemplated and approved by this Resolution, or (ii) obtain the defeasance opinion of Bond Counsel. In case any officer of the District whose signature shall appear on any certificate, agreement, instrument or other document of the District shall cease to be such officer before the delivery of such certificate, agreement, instrument or other document, such signature shall nevertheless be valid and sufficient for all purposes the same as if such officer had remained in office until such delivery.

Section 5. Recitals. The recitals contained in the preamble hereof are hereby found to be true, and such recitals are hereby made a part of this Order for all purposes and are adopted as a part of the judgment and findings of the Board.

Section 6. Open Meeting. It is hereby officially found and determined that the meeting at which this Resolution was adopted was open to the public, and public notice of the time, place and purpose of said meeting was given, all as required by the Open Meetings Law, Chapter 551, Texas Government Code, as amended.

Section 7. Effective Date. This Resolution shall be in full force and effect from and upon its adoption.

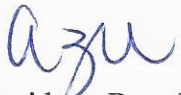
Section 8. Severability. If any section, paragraph, clause or provision of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 9. Repealer. All orders, resolutions and ordinances, or parts thereof, inconsistent herewith are hereby repealed to the extent of such inconsistency.

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PASSED AND APPROVED, this the 17th day of August, 2026.

**PECOS-BARSTOW-TOYAH
INDEPENDENT SCHOOL DISTRICT**

By: 
President, Board of Trustees

ATTEST:


Secretary, Board of Trustees

